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# **USSR Report**

**CONSUMER GOODS AND DOMESTIC TRADE**

**No. 33**

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## CONSUMER GOOD PRODUCTION AND DISTRIBUTION

### ESTONIAN TRADE MINISTER ON CONSUMER GOODS

Tallinn RAHVA HAAL in Estonian 2 Feb 82 p 2

[Article by Kuno Todesson, ESSR trade minister: "In Cooperation With Producers, Consumer Needs in Mind"]

[Text] The basic directives for the development of the national economy include several means for improving the material well-being of the Soviet nation in the current five year period. To improve the meeting of popular demands the consumer fund within the national income will increase, and is scheduled to rise to 78 percent by 1985 (compared to 75.3 percent in 1980). The production of consumer goods will increase by 26.2 percent, exceeding the growth rate of producer goods. At the same time retail activity will increase by 23 percent.

The CPSU Central Committee and the USSR Council of Ministers adopted two directives dealing with increased production of basic retail goods and generally desirable goods in 1981-1985. The steps taken by these documents regarding the development of cotton production will mean that in 1985 there will be a 31 percent increase in the amount of cotton cloth sold to the population. Production of cotton and synthetic mix underwear will increase by 37 percent, the production of synthetic washing agents 1.5 fold. The production of infant and toddler clothing, wallpaper, rubber footwear, notebooks, pencils, toilet soap, tea and other goods will increase markedly. There will be a 2.3 fold increase of color television production, a 2.2 fold increase in cassette players, a 1.6 fold increase in automatic and semi-automatic washing machines, a 1.5 fold increase in the production of spare parts for motorcycles and scooters.

The retail workers of our republic played an active part in the national campaign for meeting the decisions of the 26th CPSU Congress and in the first year of the 11th five-year period exceeded the retail sales plan by 104.3 percent, including a 105 percent fulfillment of state trade. Goods exceeding the 1980 value by 137 million rubles were sold (96 million rubles above the plan).

Exceeding the retail trade plan was greatly facilitated by work being done to increase trade resources. Last year the ESSR Trade Ministry system received supplemental trade resources of 92 million rubles, including 20.2

million rubles in above-plan production, 13.6 million rubles from trade, and 17.0 million rubles through decentralized procurement. The retail trade plan for 1982 envisions a 4.4 percent growth rate compared to last year. According to the retail trade plan the republic has also received allocations of goods, but serious efforts must be made to obtain all the goods stipulated by the plan. Industry must fulfill all planned supply tasks, all allocated funds must be put into circulation and a smooth supply of goods to retail trade organizations and enterprises must be assured. Supplemental retail resources for goods exceeding norms (we have them almost in the value of 7 million rubles) must be found through retailing and decentralized procurement.

Sales of foodstuffs increased in the first year of the five year plan by 21 million rubles or 3.5 percent compared to last year. For example, 7.4 percent more butter was sold, 5.6 percent more fish and fish products, 2.9 percent more meat, 1.7 percent more processed meat, 5.3 percent more pasta, 6.6 percent more potatoes, 1.1 percent more vegetables than in the previous year.

The sale of animal products is directly dependent on the extent that agriculture meets the production and procurement plans. In connection with a decline of milk procurement in December the production of milk products decreased. However, the supplies of milk and cottage cheese are quite sufficient for uninterrupted retailing. An arhythmic procurement of butter caused retail disruptions which resulted in an increase in demand, even though 8.6 percent more butter was sold last December than the previous year. The sale of fish increased last year by about 6 percent. Among the retail trade organizations of our ministry the sale of fish is best organized in the Narva and Kohtla-Jarve retail administrations and the Rakvere retail stores. Generally, advertisement within stores must become more efficient and new species of fish and fish products must be introduced to the consumer in a better manner.

The sale of food items by special orders increased in 1981 by 35 percent. Within the food retail portion of the ESSR Trade Ministry special orders amounted to up to 2 percent. More than 880 industrial concerns, construction sites and agencies have been served by special order (378 in 1980). Since the demand for this service is much larger, we plan to increase the sale of foodstuffs by special order this year.

Unfortunately, there are still disruptions in retailing bread and white bread, barley, flour, pasta, sugar, margarine, vegetable oil, fish products, salt, potatoes, vegetables, and milk (especially in Tallinn) which serve to discredit retail organizations and cause justified complaints by the population. These disruptions are basically due to poor coordination between retail organizations, producers, transportation and procurement enterprises; to avoid them it is necessary that retail managers should receive timely information about possible disruptions in procurement and delivery of goods, so that effective countermeasures can be taken.

The sale of finished goods increased last year by 54.5 million rubles or 9.8 percent. About 50 percent more cotton, 17 percent more silk, 6 percent

more tricot, 13 percent more leather footwear and 6 percent more clothes and underwear were sold than in 1980.

The cooperation between wholesale organizations and industry has improved. The industry delivered in 1981 817 new models of clothing, entertainment, furniture or household goods, and 664 new products were introduced into the retail sales network.

A shortcoming in the work of wholesale organizations and the ESSR Trade Ministry consists in the fact that disagreements arising at the republic's wholesale fairs are resolved slowly. Trade organizations representing the interests of the consumer must work categorically, tenaciously and energetically.

Many industrial enterprises organize the production of labor intensive and unprofitable items poorly, and all too often attempt to abandon their production altogether under various pretexts. Until the trade mechanism does not favor the extensive production of all consumer goods it must be demanded that all producing ministries and enterprises precisely meet the production plans of all goods.

In 1981 the republic's industrial plants and wholesale enterprises as a whole exceeded the plan for consumer goods procurement. But several categories of goods were procured in insufficient amounts.

The republic's wholesale organizations and retail trade organizations that enter into sales agreements with industry must assure that these are met. The production of primary goods and especially of the goods still in short supply must be followed exactly.

Shortages cause several other negative phenomena in retail employee behavior--goods are hidden, sold to friends, there is speculation, etc. Serious work is being done to fight these phenomena. Violators of retail regulations are called to account. For example, managers of some stores and cafeterias had to be dismissed. In the second half of 1981 teams to combat such phenomena were established in all trade administrations, and we have great expectations of them. If these teams can correctly direct the activities of all social organizations and improve internal controls, then their work will not be fruitless. Wherever there is a healthy work environment the social opinion of the collective condemns the violation of all kinds of retail regulation, and prevents the appearance of such phenomena.

The ESSR Trade Ministry and the trade administrations of towns pay more attention than before to consumer complaints and desires. The ministry automated management system has begun to forward incisive information about complaints and wishes appearing in the comment books of retail outlets and dining facilities. The managers of the trade organization or the enterprise inspect all complaints and are able to take necessary steps to overcome the deficiencies.

Sales from communal dining facilities in our republic are to rise by 17.5 percent in the 11th five year period. Plans call for establishment of 40 dining facilities with 3400 seats.

Last year the dining facilities successfully met the retail and sales plans. In all retail organizations the in-house production grew faster than the overall sales. In Tallinn the "Gnoom" cafe with 230 seats was opened, as were school cafeterias with 640 seats; in Narva the Kreenholm Manufacture cafeteria with 365 seats was also opened.

The workers of the dining facilities are facing great tasks in managing and improving feeding in industrial, construction and transportation concerns and in schools. Many plant cafeterias do not meet current standards, they lack necessary production, storage and rest areas. In several large industrial plants (such as the "Keila" factory, and the "Linda" combine) workers are served by snack bars. The fact that facilities do not meet requirements makes preparation of special diets difficult.

Within the ESSR Trade Ministry 227 plant cafeterias are functioning, but only 67 of them have delicatessen stores and departments. This is not enough.

Many managers who call the plant cafeteria the most important department of the enterprise have failed to take steps to improve the work of that department, and to improve the feeding of their own workers. Managers of trade organizations and directors of united dining enterprises must tenaciously demand and request expansion and reconstruction of cafeterias, their provision with implements, the opening of delicatessen stores, etc. Bold steps must be taken to search for opportunities to build greenhouses, storage facilities and warehouses for the cafeterias. Everywhere the social control over the cafeteria functions must be made more effective, but at the same time attempts must be made so that the cafeteria workers have the same living facilities, dormitory and nursery spaces as do workers of the enterprise. Retail organizations are supported in these questions by the local party and soviet organs.

With the help of capital investments 23,600 square meters of warehouse space are to be constructed in the current five year period, including facilities for the republic's Household Supply Wholesale Base and the Wholesale Office of the Estonian Republic Dry Goods, stores with a sales area of 7200 square meters are to be opened, as are dining facilities with 730 seats.

In 1981 the largest department store of our republic, "Kotka" with a sales area of 1400 square meters was opened, as were two stores in Kohtla-Jarve, and work was begun on a 7500 square meter warehouse for the Republic Household Supply Wholesale Base.

In September 1981 an all-Union meeting took place in Tallinn, concerned with "Scientific-Technical Progress in Retailing" where it was stressed that the ESSR Trade Ministry had achieved good results in increasing the efficiency of retail workers. In order that such achievements be extended it is necessary that new techniques and all other resources be used, a program for reducing manual labor be implemented, scientific management be introduced and industrial production methods be employed in dining facilities.

Progressive retailing methods are being developed. Self-service systems in food stores are largely dependent on the existence of packaged goods, but industry is only slowly increasing the output of goods in small packages. Prepackaging of perishable and desirable goods reduces lines and improves service and furthers the store's transaction capacity. For this reason the ESSR Trade Ministry demands that all goods requiring packaging, including processed meats, cheese, fruits and vegetables, be prepackaged prior to sale.

One solution for the problem of small packages lies in packaging foodstuffs not in stores but in a central facility, in specialized departments of the trade organizations. Centralized packaging, as we know, is an efficient tool for increasing labor productivity, and for this reason our plans must include centralized packaging for powdered goods and bakery products.

Currently more than 88 percent of retail organization managers and 63 percent of store, cafeteria and restaurant managers have college or secondary education. In 1981 66 university graduates and 127 technical college graduates entered the system of our ministry. While the number of specialists assigned to us in other fields is basically satisfactory, we need more university-trained industrial engineers and more accountants with secondary educations than currently being trained. For this reason we find it necessary to organize a correspondence course in Russian at the Tallinn Polytechnical Institute for training industrial engineers.

On the other hand, one cannot be satisfied with the current utilization of specialists, since a large number of personnel graduating from secondary technical schools more than three years ago work as laborers or on jobs that do not require specialized training.

In recent years we have had some success in improving labor discipline and reducing personnel turnover. In the 10th Five-Year Plan labor turnover decreased from 25.6 percent to 20.8 percent.

Increasing socialist competition in honor of the 60th anniversary of the USSR, we are directing our entire organization and political efforts toward implementing the most important party directive--improving the intensity and efficiency of the national economy.

Recently the CPSU Central Committee and the USSR Council of Ministers passed a directive on "Measures for Trade Development and Improving the People's Retail Services in the 11th Five-Year Period." This directive, guided by the decisions of the 26th CPSU Congress and taking into account the great importance of Soviet trade for improving the people's well-being, outlines the tasks of retail and dining enterprises and organizations for future years. Organization, professionalism and discipline are preconditions for meeting these tasks. This must become the basis for successfully meeting and exceeding the plans for 1982 and the entire 11th Five-Year Period within our branch of the economy.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### RSFSR MINISTER OF TEXTILE INDUSTRY INTERVIEWED

Moscow EKONOMICHESKAYA GAZETA in Russian No 8, Feb 82 p 2

/Interview with A. M. Paramonov, RSFSR minister of textile industry, by correspondent of EKONOMICHESKAYA GAZETA: "More Fabrics for the Population"; date and place not specified/

/Text/ Production of fabrics in the USSR (million square meters): 9,956 in 1975; 10,746 in 1980; 12,700 in 1985 (plan).

Production of nonwoven fabric-type materials in the USSR (million square meters): 151 in 1975; 328 in 1980; 1,022.4 in 1985 (plan).

/Question/ Al'bert Mikhaylovich, Russia's textile industry enterprises have always set an example in the organization of counterplanning. What has been done for its development in 1982?

/Answer/ Counterplanning is a powerful factor in an increase in production efficiency. There is a basis for this. The assignments of the 11th Five-Year Plan have been brought to the attention of every enterprise. However, the system of the RSFSR Ministry of Textile Industry includes more than 500 enterprises and associations, but only one-fifth adopt counterplans. As we see, by no means everything has been done. Therefore, the ministry board jointly with the central committee of the sectorial trade union tries to activate the movement for the adoption of counterplans. Taking into consideration that not all the plan assignments were fulfilled completely in 1981, we must make up for the lag in 1982.

According to by no means complete preliminary data, for now the sum of counterplans is 50 million rubles. This represents 5.3 million pieces of children's knitted underwear, 1.2 million pairs of men's socks, 20,000 square meters of carpets and carpet articles, 60 million square meters of nonwoven materials and many other articles.

Principal attention is drawn to an improvement in the qualitative indicators of work. For example, the personnel of the Orehov Cotton Combine decided to exceed the assignment for labor productivity growth and to save 50 tons of yarn, 2.5 million kwh of electric power and 1,000 tons of conventional fuel in 1982.

High targets have been set by the collectives of the Moscow Krasnaya Rossiya Silk Combine, the Ivanovo Spinning and Weaving Factory imeni Dzerzhinskiy, the Kalinin Cotton Combine, the Kostroma Flax Association, the Nal'chik Druzhba Knitwear Association and many others. Throughout the RSFSR Ministry of Textile Industry during the current year the following will be saved as compared with the established norms: 940 tons of cotton, 160 tons of wool fiber, 620 tons of cotton yarn, 150 tons of wool yarn, more than 1,000 tons of flax yarn, 186 million kwh of electric power, 43,500 tons of conventional fuel and 792,000 Gcal of thermal power. These resources will be used in the production of additional products.

Question In the editorial mail there are many letters with questions about measures for a fuller satisfaction of the demand for fabrics made from natural fiber. What is being done in this direction?

Answer Reproaches against textile industry workers in connection with the shortage of some articles in popular demand are heard often. In fact, one will not always find cotton and flax fabrics on store counters. At the same time, for example, in the output of cotton fabrics our country holds the first place in the world and the volume of their production increases continuously.

The limited nature of raw material and labor resources does not make it possible to increase production at higher rates. However, our ministry can also do a great deal.

A total of 1 billion square meters of fabrics from natural fiber are annually utilized in the national economy for technical purposes. We try to actively affect the release of a significant part of this quantity for the sewing industry and for the output of consumer goods. For this purpose the production of nonwoven fabric-type materials is developing rapidly.

Instead of natural fiber synthetic fiber is successfully used in nonwoven materials. A double effect is obtained. First, it becomes possible to more fully meet the population's needs for cotton, flax and wool fabrics. Second, labor productivity in the manufacture of materials for technical purposes increases sharply. For example, at the Yaroslavl' Krasnyy Perekop Combine conveyer belts for the mining industry were woven at a speed of 14 meters per hour per loom. A more durable belt made from nonwoven chemical materials comes off the loom at a speed of about 80 meters per hour. The possibility of replacing pure wool cloth for paper making machines with nonwoven materials has been found. We assign a large quantity of output for the footwear industry for inner soles and beading. The sphere of application of nonwoven materials is expanding to an ever greater extent. Such specialized enterprises were built in Syktyvkar and Inza. During the 11th Five-Year Plan nonwoven material factories will be put into operation in Zheleznogorsk, Cherkhovo and Tuymazy.

The assortment of output is being improved with due regard for consumer needs. First of all, the production of the most popular articles is being increased. For example, as compared with last year, the manufacture of cotton threads in commercial winding will be increased by 73 million standard spools, of terry towels and sheets, by 4.5 million meters and of worsted printed pure wool shawls, by 1.3 million meters. The output of products with the index "N"--novelty--is rising considerably. One-half of the fabrics and knitted articles are renewed according to

a decorative color scheme. A total of 3,700 new models of knitted articles are being introduced. A total of 4 billion meters of fabrics will be manufactured with a finish improving their appearance and consumer properties, including 1 billion meters of cotton fabrics,  $\frac{1}{4}$  billion meters of cotton lavsan fabrics, 65 million meters of wool fabrics and 30 million meters of silk fabrics.

I would like to stress that our subcontractors, primarily the organizations of the USSR Ministry of Agriculture and of the Ministry of Chemical Industry, are to play an important role in the implementation of these tasks.

Question The competition among subcontractors known as the "contract of thousands" was conceived in the textile industry. How is it developing now?

Answer The example of the initiators of the conclusion of the "contract of thousands" of Kalinin and Glukhov cotton combines points to the high effectiveness of such a form of socialist competition. We encourage this patriotic movement in every possible way. At present 420 out of our 509 enterprises and production associations have concluded cooperation contracts with 1,563 organizations of subcontractors. I shall cite only a few examples.

According to the "contract of thousands" the spinners and printers of the Ivanovo Cotton Combine imeni Samoylov compete with the Krasnaya Talka Factory. Results are reviewed twice a year. The textile workers of the Combine imeni Samoylov included the local House of Clothing Styles, the local sewing association, the issuing depot of the Republic Office for Wholesale Trade in Textile Goods of the RSFSR Ministry of Trade, a number of scientific research and design organizations, the Tambov Pigment Association and the Rubezhnoye Krasitel' Association in the orbit of creative cooperation. As a result, a stable operation of the enterprise, a rapid introduction of technical innovations into production and an improvement in the quality of output were ensured.

Along with positive examples we encounter many cases of formalism in the organization of the competition. Often the enterprises of the Ministry of Chemical Industry, having signed a contract, remain debtors. Thus, one of the most important links falls out of the general chain, the effect of labor competition among other collectives declines sharply and the final result suffers.

Question Many of our readers are interested in knowing what is being done to improve working conditions, to raise labor productivity and to retain personnel at textile industry enterprises.

Answer This is a very topical question. The enterprises of the RSFSR Ministry of Textile Industry, systematically increasing production volumes, in practice, have been working without an increase in personnel during two five-year plans. Nor is a reinforcement expected in the future. Under these conditions problems of technical progress, stabilization of labor collectives and improvement in labor organization take on fundamental importance.

More than one-half of our enterprises have existed since prerevolutionary times. They are being reconstructed on a large-scale. As is well known, textile workers in Ivanovskaya and Moscow Oblasts have accumulated good experience in this matter. The new methods of management envisage the planning of industrial production and capital construction as a single whole. This is what we are doing.

A total of 70 percent of the entire limit of capital investments for the 5-year period is allocated for the reconstruction and technical retooling of enterprises.

More than 1 million spindles, almost 1.5 million spinning positions and more than 51,000 looms will be installed at existing enterprises instead of obsolete equipment.

This year alone we plan to install 1,000 carding machines, 300 drawing frames, 1,100 pneumatic spinning machines, 2,100 shuttleless, 500 pneumatic needle and 1,800 pneumatic weaving looms and 70 automatic reelers and to modernize more than 23,000 units of existing equipment.

Before the end of the year heavy and labor-intensive operations will be overall mechanized at 13 factories and 160 shops and sections and 190 new industrial processes, 160 mechanized and automated flow lines and 1,300 machines for the mechanization of manual operations will be introduced. In all we expect to relieve about 11,000 workers from manual labor in 1982.

In the course of reconstruction at existing enterprises measures are taken to reduce the dust and gas content, to lower the noise level and to improve illumination in shops. A total of 26,000 families of textile workers will improve their housing conditions this year. Large hospital complexes and polyclinics are being built at the Orehov Cotton Combine, Fryanova Worsted Spinning Factory and the Chita Worsted Cloth Combine.

However, reconstruction is not carried out in the proper volume everywhere. The cloth industry, where many units are especially obsolete, remains a bottleneck. For a long time the Ministry of Machine Building for Light and Food Industry and Household Appliances has been unable to develop such necessary highly productive equipment of the required dimensions for cloth factories in Ul'yanovsk, Penza and Tambov.

Finally, the significance of the new brigade form of organization and stimulation of labor cannot be overestimated. In the textile industry we connect the solution of such important problems as an increase in output with a smaller number of workers and personnel retention with this.

Question At one time EKONOMICHESKAYA GAZETA criticized the RSFSR Ministry of Textile Industry for the lag in the introduction of the brigade organization and stimulation of labor. How is the situation now?

Answer In fact, a year ago only 5 percent of our workers were unified into the new-type brigades. Now this proportion exceeds 24 percent. We set the task of involving more than one-half of the textile workers in the Russian Federation in the brigade organization and stimulation of labor and of fully introducing it at 120 production associations and enterprises before the end of the year. I would like to note that we ought to transfer all workers to the brigade method by 1985.

As we see, during the past year a great deal was done to establish the brigade form of organization and stimulation of labor in the textile industry. I stress, the new form. Brigades have existed in our sector since olden days. They are

so-called sets, in which several women workers are grouped around one assistant foreman. The number of people in a set is often two or three. As a rule, the new-type brigades have 13 to 14 people. Basically, assistant foremen continue to head them, but there are many examples where weavers or spinners are elected brigade leaders. Such a brigade works for a single order and the remuneration is distributed according to the coefficient of labor participation.

Experience shows that labor productivity grows much more rapidly in such brigades. Service zones exceed standard zones. Brigades are financially interested in producing more products with a smaller staff.

It is a remarkable fact that the more new-type brigades at an enterprise, the more stable its operation. For example, at the spinning factory No 1 of the Kamyshin Cotton Combine all workers are unified into brigades. At the Novosibirsk Cotton Combine the proportion of the brigade method right now comprises 80 percent, at the Shchelkovo Cotton Combine, 46 percent, at the Orehov Cotton Combine, 36 percent and at the Korablino Silk Combine, 34 percent.

However, there are other facts. For example, at the Ivkhlopprom Association only 10 percent of the workers are included in the new-type brigades. This work still lags at a number of other enterprises.

Not so long ago we examined the course of fulfillment of the assignments for the introduction of the brigade form of organization and stimulation of labor at the spinning facilities of cotton enterprises. The board noted an unsatisfactory state of affairs at the Factory imeni Tsyurupy of Moskhlopprom, the Proletarskiy Avanguard Factory No 1 of Roskhlopprom, the Ozersk Rabochiy Combine, the Murom Krasnyy Luch Combine and a number of others. Cases of a formal attitude toward the introduction of the brigade method were uncovered. At the Serpukhov Krasnyy Tekstil'-shchik Cotton Combine former sets were called brigades. In fact, as they say, only the "signboard was changed." At the Combine imeni 3 Internatsional of Vladkhlopprom brigades were established on the basis of shifts headed by foremen.

The board discussion was critical. For a formal and irresponsible attitude toward the introduction of the brigade form of organization and stimulation of labor penalties were imposed on a number of managers of the Murom Krasnyy Luch Cotton Combine, the First Roskhlopprom Association, the Kokhma Cotton Combine and the Ivano-vo Spinning and Weaving Factory imeni Balashov. The need to establish the new-type brigades in conjunction with the solution of problems connected with an improvement in management and planning, technology and organization of production and material and technical supply was stressed. The board made it incumbent upon every director to personally head the work on the introduction of the brigade method.

It remains to add that, owing to the development of the brigade organization and stimulation of labor, the conditions of socialist competition adopted in the sector made the level of fulfillment of planned assignments, not of norms and standards, the criterion of evaluation. This lent a more effective nature to labor competition.

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### SUPPLY OF EVERYDAY ITEMS STUDIED

Moscow PLANOVYE KHOZYAYSTVO in Russian No 1, Jan 82 pp 94-99

/Article by Candidate of Economic Sciences B. Solov'yev, deputy director of the All-Union Scientific Research Institute for the Study of Consumer Demand and Marketing Conditions: "The Rational Supply of the Population With Everyday Items (An Attempt at a Comprehensive Socioeconomic Study)"/

/Text/ The 26th CPSU Congress advanced as one of the means of implementing the programs of social development and the increase of the well-being of the people the task of the further increase of the level and the improvement of the pattern of the consumption of material goods and services. Here the party is proceeding from the need to actively influence the formation of the reasonable needs of man. The use in planning calculations of the indicators of the rational consumption of material goods, particularly consumer items, serves the accomplishment of the indicated important task of social policy. The idea of elaborating scientifically sound rates of consumption in the socialist planned economy was first expressed by V. I. Lenin. He indicated that for the estimation of the level of consumption "there is to be considered as the norm, how much a person needs, according to science...."<sup>1</sup>

Scientific studies for the purpose of determining the rational levels of the consumption of material goods have been conducted in our country for a long time now. Guidelines of a comprehensive nature for nonfood consumer items were drawn up back in the 1950's under the general direction of the USSR State Scientific and Economic Council. Then under the orders of USSR Gosplan, the State Committee for Science and Technology and the USSR Academy of Sciences a number of sectorial scientific research institutes of trade and industry continued this work. The comprehensive socioeconomic studies, which were conducted during the past 3 years by 29 sectorial scientific research and other institutions under the scientific methods direction of the All-Union Scientific Research Institute for the Study of Consumer Demand and Marketing Conditions, were its new stage.

The elaboration of indicators of the rational consumption of material goods is among the most important and at the same time most complicated problems of the forecasting of popular construction. The very system of personal needs and the dynamicness of its development are connected with not only the economic, but also the social and other living conditions of the people. The multilevel nature of this task requires the pooling of the efforts of many collectives of science and practice. The theoretical and methodological interpretation of the indicators of rational consumption was not by chance the subject of many scientific works.<sup>2</sup>

The results of the latest of the conducted studies give reason to regard the indicators of rational consumption first of all as the initial stage of the goal program planning of the standard of living, as a specific form of expression of the constantly increasing personal needs for the preparation of specific economic decisions. The scientific norms of rational consumption, which correspond to the principles of the socialist way of life, the high standards and consciousness of the members of society, hold an important place in the substantiation of the rational consumer budget, which characterizes the necessary volume and pattern of personal consumption.<sup>3</sup> The indicators of the mentioned budget are becoming more and more a component of the scientific substantiation of the long-range plans of the development of production and the meeting of the demand of the population, by promoting the successful solution of the problems of building communism.

The rational level of consumption of material goods and services is determined on the basis of the need for the increase and development of personal needs under the influence of the objective social processes and factors, which are inherent in mature socialist society. The indicators of rational consumption reflect the target guidelines of the increase of the well-being of the people in the most important spheres of consumption. Such indicators characterize the average levels of the reasonable meeting of the needs of the population in the foreseeable future and are elaborated with allowance made for the possibilities of their achievement.

In conformity with the underlying premise the indicators of rational consumption are a particular, specific form of the socioeconomic standard. The goal aspect is the main one in them. Under present conditions rational consumption should be in accord with the socialist way of life, the qualitatively new requirements of the reproduction of manpower and the strengthening of the moral and esthetic principle in the improvement of daily life.

The rational level of consumption is governed by a number of economic, ideological, social and physiological factors, and with respect to the individual types of material goods the combination and degree of influence of these factors are different. Thus, whereas the rational consumption of foodstuffs depends to the greatest extent on the physiological peculiarities of a person, the importance of factors of a social nature increases with respect to everyday items, clothing and especially culture. Therefore, the elaboration of indicators of the rational consumption of material goods was based on the complete consideration of all the processes which influence the development of the individual.

Some abstraction from the specific restrictions, which were dictated by the present volume and pattern of the production of the goods being consumed and by the level of the income of the population and the prices for consumer items, was allowed when determining the rational levels of the consumption of material goods and the supply of the population with them. The indicators of the rational provision with everyday items were also not assigned to a strictly specific year. Hence at times the erroneous opinion arises that they are cut off from the real possibilities of society. However, it is only a question of the refusal to take into account the possibilities of today, since they should not have a significant influence on the rational guidelines being elaborated for a future period.

In the words of K. Marx, "mankind always sets for itself only the tasks which it can accomplish, since upon closest examination it always turns out that the task

itself arises only when the material conditions of its accomplishment already exist or, at least, are in the making."<sup>4</sup> With reference to the mentioned problems it is a question of the fact that the expression of public needs for specific material goods for a long-term period is an objective necessity and is based on the possibilities of society. However, the possibilities are not the specific resources of a given segment of time. In this connection the assertion that one of the functions of the standard indicators of rational consumption serves as the basis for setting for production the task of producing consumer goods, which meet the corresponding needs, should be considered correct.

The standard levels of rational provision were regarded by us as socially average indicators, for which production and consumption should strive. Along with this differentiated indicators for individual contingents of consumers, which stem from the influence of long-term socioeconomic factors, as well as factors of a sex-age, national and climatic nature, were elaborated. Rational levels were established not only for the country as a whole, but also with a breakdown by individual regions, as well as separately for urban and rural inhabitants. At the same time the goal of the mechanical equalization or the pulling up to a level of consumption, which is uniform for everyone, was not set, while the specific living conditions, which have been maintained for a long time, were taken into account. Rationality consists in the fact that the consumption of every person, just as his needs, will depend not only on his age and physical workload, but also on individual peculiarities—tastes, pursuits, habits and so forth.

In the end the formation of the target levels of consumption is subordinate to the tasks of the consolidation of the socialist way of life, the strengthening of the communist principles in it, the all-round harmonious development of the individual, the cultivation of social activeness and consciousness. At the same time the negative aspects in consumption come to light and the means of overcoming them are outlined. It is a matter, for example, of limiting the acquisition of luxury items, which is unreasonable from a social standpoint, stems from considerations of prestige, which are uncharacteristic of society, and is of the nature of hoarding.

The elaboration of indicators of the rational provision with cultural, personal and household items has several peculiarities as compared with other products and items (food, clothing, footwear). It required the substantial extension of the socioeconomic aspects of the study, the more thorough analysis of many everyday processes, as well as the identification of the advisable ratios of various means (goods and services) and forms of the individual and socially organized meeting of one need or another. As the results of the comprehensive study attest, these requirements are met to the greatest extent when elaborating the standard indicators with respect to the following consumer complexes: "Housing, Its Equipment and Household Furnishings," "Housekeeping and Consumer Services," "Spiritual Wealth and Cultural Leisure," "Recreation, Tourism, Sports," "Means of Transportation, Goods and Services Accompanying Them."

The formation of consumer complexes is based on the structural-functional approach. It is the most important principle of the systems study of socioeconomic phenomena and processes as a structurally differentiated integrity, in which each element of the structure has a specific functional purpose. As a specific procedural method, as experience showed, it was expedient to choose the method of structurization with the use of expert appraisals. This method made it possible to break up the entire

consumer complex by stages and to establish a hierarchical structure of the elements with the subsequent evaluation of their relative importance.

Thus, judging from the results of the appraisal, it is most important to meet the needs for housing, then the needs in the sphere of housekeeping and cultural leisure and, finally, for active recreation and transportation. As to the internal structure of the complexes, in housekeeping, for example, the meeting of the need for the storage of foodstuffs and the preparation of food, then for the cleaning of the apartment and the care of clothing, according to the appraisal of experts, are of the greatest importance. Moreover, in the meeting of the need for the care of clothing the greatest importance is attached to the services of laundries and dry cleaners. In the sphere of leisure preference was given to the individual forms of spending it: reading, watching television. Among the entertainment establishments of culture theaters and movie theaters received the highest appraisal of relative importance.

The data of the appraisal, which characterize the hierarchy of needs in the sphere of daily life, culture and recreation, as well as the estimates of the relative importance of the elements of each complex made it possible when elaborating the quantitative indicators of the rational provision with everyday items to take their social prospects into account and to establish the advisable proportions of the meeting of the needs for goods and services. Moreover, they can be used for the determination of the standard indicators in the foreseeable future with allowance made for their importance in the sphere of consumption. The analysis of the established laws and trends in the level of items and the structure of their actual availability and the study of the most important socioeconomic, scientific, technical, demographic, natural, climatic and other specific factors were required for the scientific elaboration of the indicators. The materials of current statistical reporting (trade, budgetary, industrial, demographic) were used here.

However, the indicated materials were insufficient for the thorough study of many important aspects of the formation and development of needs. Therefore, special sample surveys and samplings were conducted, which made it possible to obtain additional data on consumer preferences and intentions and on the more detailed relations of the consumption of a wide range of items with factors of a socioeconomic nature. A series of special surveys was conducted. Thus, the data on the consumption of technically complex durable goods (household machines and appliances, radio and television equipment, automotive equipment, cinematographic items and so forth) were obtained on the basis of a survey of more than 40,000 families. For the elaboration of rational sets of sporting and tourist items 60,000 families were surveyed in accordance with the program of the All-Union Scientific Research Institute for the Study of Consumer Demand and Marketing Conditions, for the sets of furniture and dishes--10,000 families. The branches of the institute in the union republics organized local surveys of more than 50,000 families. Moreover, the materials of the surveys, which were conducted by the scientific research institute of Tsentrrosoyuz and its branches, as well as by a number of sectorial scientific research institutes of the sectors of industry, were enlisted.

The study and consideration of the long-term trends of consumption were of great importance. Thus, in the sphere of housekeeping a slowing of the rate of initial saturation with technically complex items, especially traditional items (refrigerators, washing and sewing machines) is being observed. At the same time the

Intensive process of the updating of the existing stock of household equipment is developing, the group of goods being used is being enlarged and in acquisition the proportion of "second" and "third" machines and appliances is increasing. This is connected with the increase of the possibilities of their use (in various places of housing, at the dacha, in the motor vehicle and so forth).

The demands on such consumer parameters as external appearance, the multiple purpose of everyday items, the reliability and durability of items, the ease of handling and care, the degree of automation of machines and appliances, are increasing. Technically complex goods are being used more and more in daily life. The process of the obsolescence of items is speeding up. The convergence of the levels of consumption of the individual socioeconomic groups of the population, which is due to the increase of income, the improvement of living conditions and the change of the composition of families, is occurring. The acceleration of the obsolescence of items, which is connected with the updating of the assortment of the goods being produced under the influence of scientific and technical progress and the increase of the demands of the population, is also being observed in the sphere of cultural leisure.

The organization of the recording and the analysis of the data on the most important processes and factors, which will determine the consumption of individual goods during the coming period, were of great importance. The importance of the materials on the changes of the structure of everyday items under the influence of scientific and technical progress (fundamentally new and modified items appeared) and of the infrastructure, which is connected with the consumption of material goods (personal services, urban development, municipal services, transportation and so forth), should also be noted.

The consideration of the functional processes taking place in daily life was a significant feature of the determination of the rational provision. The conducted studies made it possible to determine the necessary degree of their "substantiation" by means of material goods and services, as well as the form of consumption--individual or socially organized. Thus, with the change of the social composition of the population and with the increase of the proportion of workers of mental labor and the number of students the amount of intellectual work of a person under home conditions increases substantially. In spite of the enlargement of the sphere of services, the home preparation of food, the cleaning of the premises, the washing of laundry, the repair of clothing and so forth remain. Therefore the everyday environment of items was regarded by us as a unified system, in which the change of one element influences the state of the others. It was also borne in mind that the provision of the population with housing will increase and in the future will amount to not less than 19 m<sup>2</sup> per person.

In the sphere of recreation with the increase of free time the development of needs is aimed at the restoration of the physical and psycho-emotional stability of a person in labor and everyday activity by means of the pursuit of sports, tourism, trips, physical culture and so forth. The increase of the mobility and the transportation mobility of people, which is due to the objective necessity of travel for carrying out various forms of vital activity, is having a decisive influence on the development of needs in the sphere of transportation. It was taken into account that the social forms of the meeting of the need for transportation in the future should undergo preferential development.

The results of the survey show that the inhabitants of cities for the present are better supplied than inhabitants of the countryside with the majority of everyday items. The degree of supply to a considerable degree depends on the living conditions. Families who have individual apartments or their own houses are better supplied with cultural and personal items than families who live in common apartments. The regional differentiation in the levels of the provision of families with cultural items is still significant.

The identification and consideration of the ratios of goods and services were a new thing in the elaboration of the indicators of the rational provision with everyday items within the consumer complexes. The study showed that in practically all the complexes the achieved level of the consumption of goods and services still does not make it possible to directly sense and measure quantitatively the manifestation of their interrelationship. Therefore the conclusion of the possibility in the foreseeable future of the intensive development of the consumption of both goods and services was drawn, and the socially organized forms of the meeting of needs are preferable. However, in the individual complexes this ratio is forming in different ways in conformity with the specific nature and level of the development of each of them.

Thus, in the sphere of housing in the future the needs for electrical lighting fixtures, textile items for the decor of the interior of the apartment and repair services will increase more rapidly. At the same time the proportion of the expenditures on the purchase of furniture and the payment for municipal services will remain the largest.

In the sphere of cultural leisure the proportion of personal services (the rental of items and so forth) will also increase in connection with the enlargement of the stock of radio, television and movie equipment. The expenditures of the population on the services of institutions, which are connected with active recreation--sports, tourism--will increase more rapidly than the expenditures on the services of entertainment institutions, and their proportion in combination will increase noticeably, while the proportion of the expenditures on the purchase of sporting equipment will decrease accordingly, although their acquisition will be developed rapidly. Significant structural changes, as the calculations show, will occur in the sphere of motoring. Along with the development of public transport the expenditures on the purchase of vehicles for private use, as well as on the goods and services connected with their maintenance and operation will increase.

In drawing up the indicators of the rational provision with everyday items on the basis of a comprehensive examination extensive procedural tools of research were used. In particular, a system of interrelated indicators: the rational provision, the service life, the norms of rational supply, was developed by means of the methods of mathematical economic modeling, expert appraisals and international comparisons.

The use of the method of the typology of consumers for the evaluation of the formation of the level of consumption and provision in individual socioeconomic groups of the population was effective. This method made it possible to study the influence of consumers, who have a high level of income and educational level, better housing conditions and so forth. The assumption was made that the actually formed level of consumption of the groups of the population, which were selected as "the

social model," can serve as a guideline for the other groups.<sup>5</sup> For example, a survey of the availability of household electronics was made in 3,200 families, of them 270 families, who have high incomes and live in separate well-appointed apartments, were selected. The analysis of their actual and desired provision (differentially according to the number of family members, the place of residence and so forth) showed that they do not strive for the mechanical increase of the number of such items in their household, but display a tendency for some optimization of the set.

Expert appraisals, by means of which the results obtained by various methods were ranked, evaluated and generalized at the concluding stage of the study, played an important role. Specialists of various fields of knowledge: economists, sociologists, merchandising specialists and engineers, acted as the experts. Thus, more than 500 experts were enlisted in the elaboration of indicators within the consumer complexes. The indicators of the rational provision with the most important, technically complex cultural and personal items were appraised by the experts on the basis of the social promise of one item or another, its role in the fulfillment of functions in everyday life, the actual and desired provision of individual groups of the population, with allowance made for the appraisals of the experts and the data on the provision of the population of foreign countries.

The indicators of the rational provision of families with items of the 20 most important commodity groups, which include 187 line items (that is, nearly threefold more than during preceding studies), were elaborated and specified as a result of the study. This is approximately 65-70 percent of the total volume of the retail commodity turnover of the country for cultural, personal and household items. New standard indicators for the 15 most important types of services: repair, rental, the production of various items, the services of entertainment organizations and others, were coordinated with the indicators of the provision with goods. The newly elaborated and specified indicators of the consumption of the most important cultural, personal and household durable goods are oriented toward the further increase of the quantitative and qualitative level of the meeting of the needs of the population.

The data on the standard and actual provision with the most important, technically complex items are cited below (in units per 100 families).

	<u>Actual provi-</u> <u>sion in 1980*</u>	<u>Recommended standard</u> <u>of rational provision</u>
Televisions. . . . .	85	130
Radios and radio-phonographs . . . . .	85	160
Tape recorders . . . . .	29	60
Cameras. . . . .	31	60
Refrigerators and freezers . . . . .	86	112
Washing machines . . . . .	70	85
Electric vacuum cleaners . . . . .	29	60
Sewing machines. . . . .	65	82
Motorcycles and motor scooters . . . . .	10	25
Bicycles and mopeds. . . . .	49	74

\* "Narodnoye khozyaystvo SSSR v 1980 g." [The USSR National Economy in 1980], Moscow, "Statistika", 1981, p 406.

As compared with the prevailing standard indicators, which were adopted in 1973, the norms of the rational provision of the USSR population (per 100 families) have been increased: for tape recorders--by 1.5-fold, motorcycles--by 1.4-fold, cameras--approximately 30 percent, mopeds, sewing and washing machines--nearly 20 percent, bicycles and mopeds--5-7 percent.

With respect to furniture an increase of the number of items, which are connected with the increase of the educational level of the population (desks, bookshelves and so forth), is envisaged. The number of items in the rational sets of dishes (services, sets) is increasing.

Along with the specification of the indicators the additional elaboration of standards of the provision with electrical appliances (electrical lighting fixtures, electrophones, electric mixers, electric kettles and others), some musical items and slide projectors was carried out. Indicators of the rational consumption of the most important, technically complex goods, items for sports and tourism (19 descriptions), associated items for private vehicles, household chemical goods and items for the interior of housing (carpets, textile items) were elaborated for the first time. The achievement of rational provision presumes an increase of the number of some electrical appliances in use by the population by nearly 10-fold, the majority of sporting goods--2.5- to 3-fold, electrical lighting fixtures--1.5- to 2-fold.

The results of the conducted study show that not all of the problems have been completely solved. Subject to the influence of the set of factors, which govern the formation of needs in the future, the indicators of the rational provision of the population with cultural, personal and household items should periodically be made more precise, while the principles and methods of their elaboration should be continuously improved. In particular, the further performance of work on the assurance of rational consumption requires closer contact with the concept of the social development of the country for a distant period of time. The theoretical-methodological and the informational and procedural basis of the indicators, including the study of the development and the hierarchy of personal needs, the substantiation of the criteria, the analysis of the functional processes and the conformity of the mass of goods to them, the evaluation of the influence of the achievements of scientific and technical progress on the broadening and updating of the object environment, the interconnection of the indicators of the consumption of goods and services and so on, should be improved. The inclusion in the study of new promising goods and services is acquiring particular urgency.

Along with the broadening of the studies of the social aspects of the development of needs within the most important spheres of consumption (household labor, cultural recreation and others) it is important to improve the developments with a breakdown by individual socioeconomic, sex-age and occupational groups of the population. Moreover, for the determination of the indicators by consumer complexes more precise criteria of their formation are necessary. This pertains to the similarity of the base attribute, the interdependence of the distinguished complexes, the completeness of the coverage of the group of needs and resistance to dynamic changes.

The increase of the level of the soundness of the standard indicators requires their differentiated calculation with allowance made for the zoning of the territory of the USSR according to natural, climatic and demographic attributes. The

substantiation of the dynamics of the average prices for items is also necessary for obtaining the value amounts of rational consumption during the future period. The comprehensive approach to the calculations of the main indicators of rational consumption (provision, service life, rates of consumption and so on) for the needs of the long-range and current forecasting of demand and planning also presumes the more extensive use of various procedural methods (modeling, expert appraisals, international comparisons, the typology and segmentation of consumers) with the use of computer hardware.

Further scientific studies should be aimed not only at the elaboration and specification of the standard indicators, but also at the determination of the specific ways, means and possibilities of the improvement of the volume and pattern of consumption on rational bases, with allowance made for the problems of production, trade, the income of the population and the prices for goods.

#### FOOTNOTES

1. V. I. Lenin, "Poln. sobr. soch." /Complete Works/, Vol 40, p 342.
2. See B. Levin, "Sotsial'no-ekonomicheskiye potrebnosti: zakonomernosti formirovaniya i razvitiya" /Socioeconomic Needs: The Laws of Formation and Development/, Moscow, "Mysl'", 1974; V. Mayyer, "Uroven' zhizni naseleniya" /The Standard of Living of the Population/, Moscow, "Mysl'", 1977; E. Mzhenskaya, "Lichnyye potrebnosti pri sotsializme" /Personal Needs Under Socialism/, Moscow, "Nauka", 1973; D. Pravdin, "Razvitiye neproizvodstvennoy sfery pri sotsializme" /The Development of the Nonproductive Sphere Under Socialism/, Moscow, "Ekonomika", 1976; "Potrebnosti, dokhody, potrebleniye" /Needs, Income, Consumption/, a collective of authors under the direction of N. Fedorenko and N. Rimashevskaya, Moscow, "Nauka", 1979.
3. See "Metodicheskiye ukazaniya k razrabotke gosudarstvennykh planov ekonomicheskogo i sotsial'nogo razvitiya SSSR" /Procedural Instructions on the Drafting of State Plans of USSR Economic and Social Development/, Moscow, "Ekonomika", 1980, p 671.
4. K. Marx and F. Engels, "Soch." /Works/, Vol 13, p 7.
5. The idea of such an approach is set forth in the works: S. Strumilin, "Problemy sotsializma i kommunizma v SSSR. Izbrannyye proizvedeniya" /Problems of Socialism and Communism in the USSR. Selected Works/, Vol 5, Moscow, "Nauka", 1961; V. Nemchinov, "Izbrannyye proizvedeniya" /Selected Works/, Vol 5, Moscow, "Nauka", 1968.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### INCREASE OF COMMODITY RESOURCES

Moscow SOVETSKAYA TORGOVLYA in Russian 12 Dec 81 p 2

/Article by Chairman of the Board of Tsentrosoyuz A. Smirnov: "The Program of the Increase of Commodity Resources"/

/Text/ At its 26th congress and the November (1981) Central Committee Plenum our party placed in the forefront among the key problems the task of improving the supply of the population with foodstuffs and industrial consumer goods. At the plenum Leonid Il'ich Brezhnev named the food problem as the central problem of the entire five-year plan on both the economic and the political level.

Consumer cooperatives are also called upon to make an important contribution to the implementation of this program. At present a comprehensive goal program of the increase of commodity resources in the system of consumer cooperatives and its most important part--the food program--have been elaborated by Tscentrosoyuz jointly with the Potrebsoyuzes of the republics.

The task of obtaining during the five-year plan more than 65 billion rubles (in retail prices) of foodstuffs, which is nearly 16 billion rubles more than during the 10th Five-Year Plan, is being set for consumer cooperatives. The task, let us say frankly, is not simple, but is practicable. The matter should be organized so as to involve all cooperatives without exception, all enterprises and farms of the consumer cooperatives in the drive for the increase of the resources of foodstuffs.

Operating food enterprises must be used without fail at full capacity, they must be provided in good time with raw materials for year-round operation. This pertains to all Potrebsoyuzes, first of all the RSFSR and Ukrainian Potrebsoyuzes, in which many food enterprises operate on a seasonal basis. In bread baking it is necessary to increase significantly the production of rolls and buns, which along with the enlargement of the assortment will make it possible to increase the economic efficiency of bread baking.

In the development of the production of food products we cannot rely only on large enterprises. Small shops for the processing of vegetables and fruits, which are attached to procurement offices and use, as a rule, raw materials which are procured locally, also provide good and necessary products. In our country there are 1,135 such centers. The need and means exist to develop with small expenditures a more extensive network of such most simple works and to strengthen the material basis of the operating network. In the system 1,150 shops are engaged in the

production of sausage. Those of them which are combined with slaughtering centers operate most efficiently. And these enterprises must be strengthened, especially as the purchases of meat on the private plots of the population increase. The shops existing in many regions for the production of kvass, fruit drinks, fruit waters and other nonalcoholic beverages, fish-smoking, confectionary and other shops have not exhausted their possibilities.

I wish especially to dwell on production efficiency. The production of profitable items and items with a low profitability must be skillfully combined. For example, the production of tomato paste is unprofitable, while tomato juice provides a profit of about 50 rubles per 1,000 standard cans. The Chimkent Potrebsoyuz acted properly, having organized at the canning plant the production of canned meats, dried onions and garlic, confectionary items and nonalcoholic beverages, which made it possible to obtain annually a profit of 150,000-200,000 rubles. The experience of the Armenian Potrebsoyuz in the production of wine vinegar from the waste products of winemaking and of the Izobil'nyy Food Combine of the Stavropol'skiy Kray Potrebsoyuz on the processing of 500 tons of bone a year into fodder meal is significant.

The Belorussian Potrebsoyuz has created rayon combines of the food industry on the basis of small shops, which produce food products, as well as of bakeries and other bread baking enterprises. This is not a formal matter. Often several small enterprises can be powered by the same boiler house, can use common underground mains and can have unified engineering and technical service and centralized accounting. Such cooperative food combines in the rayon link are economical, and it is necessary to think about the more extensive dissemination of this experience.

Attention should be directed to the need to intensify the work on the fattening of livestock, poultry and rabbits at the consumer cooperatives' own farms. We have many good examples of the organization of this work. The Board of the Rostov Potrebsoyuz plans during the five-year plan to obtain a gain in the weight of meat of 29,000 tons, while the Neklinovskiy Rayon Consumer Society of this oblast alone will obtain in 1985 not less than 100 tons. We are convinced that the Rostov workers will successfully cope with this task, since a gain in the weight of meat of more than 3,000 tons has already been obtained in 9 months of this year. Moreover, the production cost of 1 kg of meat of large-horned cattle is 1 ruble 44 kopecks, hogs--1 ruble 42 kopecks and poultry--not more than 1 ruble 85 kopecks, which is considerably less than in other oblasts and republics.

The fattening of animals and poultry is being carried out on an extensive scale in the Belorussian, Uzbek, Kazakh, Turkmen, Krasnodar, Stavropol', Volgograd, Mordovian, Rovno, Vinnitsa, Transcarpathian and several other Potrebzoyuzes.

At the same time many Potrebsoyuzes, especially the Leningrad, Orel, Tula, Yaroslavl', Kabardino-Balkar, Kalmyk, Kemerovo, Latvian, Armenian and Tajik Potrebsoyuzes, obstinately do not want to engage in this important matter, citing all sorts of difficulties. Does the Yakutsk Potrebsoyuz really have fewer difficulties than the ones named above, yet it is actively engaged in animal husbandry and under the most difficult conditions of the north is completely supplying its farms with young animals of its own reproduction. In 9 months of this year the Yakutsk Potrebsoyuz obtained more piglets for raising and fattening than the Tuva, Novosibirsk, Kemerovo, Udmurt, Sverdlovsk and Chelyabinsk Potrebsoyuzes taken together. Comments here, as they say, are unnecessary.

It is also impossible not to speak about the fact that at many subsidiary farms a large excessive consumption of fodders is permitted, the food scraps of public dining, food enterprises and vegetable and potato storehouses are still being utilized inadequately. Some subsidiary farms of the Kazakh Potrebsoyuz consume per kilogram of weight gain of hogs up to 13 fodder units instead of 7 according to the norm. The situation is similar in the Armenian and Kirghiz Potrebsoyuzes. One must not manage in this way further!

Many Potrebsoyuzes are poorly engaging in fishing. Whereas the Krasnoyarsk, Volgograd, Tyumen', Buryat, Kalmyk and Turkmen Potrebsoyuzes have already launched this work and are carrying it out profitably, the Kazakh, Belorussian, Ukrainian and Georgian Potrebsoyuzes are engaging unsatisfactorily in this matter.

The purchases from the population of agricultural products at contract prices, especially meat, milk, vegetables and fruit, are an important reserve of the supplement of food resources. The fulfillment of the outlined plan of the creation of an extensive network of combined receiving and procurement centers will be of decisive importance here. For the five-year plan we have planned to open 12,000 of them, including 2,340 in 1981. The Ukrainian, Uzbek, Kazakh and Tajik Potrebsoyuzes are poorly engaging in this important matter.

Along with the development of a permanent network of receiving and procurement centers it is necessary also to think over the question of new approaches to purchases, especially on the private plots of the population, of the products of animal husbandry, vegetables and fruit, as well as wild ones. The entire force of the cooperatives--the workers of our rural stores, associations and enterprises of public dining, the collectives of industrial enterprises, the cooperative aktiv--should be fully utilized for this. Our economy is a multisectorial economy, but the questions which are connected with the implementation of the food program should become a common and urgent matter of the entire system, of all the cooperative links. More initiative and resourcefulness must be displayed in this most important matter.

We should also make considerable progress in the matter of the production of non-food consumer items. During this five-year plan 2.1 billion rubles of them should be produced, or 1.4-fold more than during the 10th Five-Year Plan. The Georgian Potrebsoyuz, with the experience of which the participants in the All-Union Seminar-Conference held here were recently acquainted in great detail, is actively using reserves for the development of the production of industrial goods. The Belorussian, Estonian, Lithuanian and Latvian, Moscow, Omsk, Tatar, Saratov, Transcarpathian, Cherkassy and Poltava Potrebsoyuzes are performing this work well.

It is necessary, however, to name the same Potrebsoyuzes, which long ago organized this work and now are expanding it. As for the other Potrebsoyuzes, their activeness for the present is low. Whereas the Georgian Potrebsoyuz produced in 9 months consumer goods worth 29 million rubles and the Estonian Potrebsoyuz--15 million rubles, the Uzbek Potrebsoyuz produced only 3.6 million rubles and the Kazakh Potrebsoyuz--only 2.2 million rubles. The boards of the Uzbek and Kazakh Potrebsoyuzes and their chairmen, Comrades Siradzhev and Tanekeyev, must analyze their possibilities more thoroughly and specify for 1982 and subsequent years more intense plans of the production of nonfood consumer items. The boards of the Armenian, Kirghiz, Turkmen, Novgorod, Ivanovo, Crimean, Voroshilovgrad and a number of other Potrebsoyuzes are still engaging poorly in this matter. Although in the indicated

republics there are collectives from which an example should be taken. I have in mind the Transcarpathian, Chimkent and Tashauz Potrebsoyuzes, which are carrying out this matter with initiative and scope.

Special attention should be devoted to the use of secondary raw materials, production waste and various types of local raw materials. For example, the Belorussian Cooperative Union annually procures more than 200,000 tons of secondary raw materials, of them nearly 40,000 tons are textile scraps. A third of this amount is processed at the enterprises of the Belorussian Cooperative Union, which produce in significant quantities restored wool, sheet wadding, yarn, the floor covering "vorsonit," nonwoven fabric, furniture padding, construction oakum and other items.

The boards of the Potrebsoyuzes should specifically examine what can be done for the processing of secondary raw materials in their republics, krays and oblasts. These raw materials exist everywhere, and we ourselves are carrying out their procurement. In particular, the cooperative organizations of Central Asia, Kazakhstan and Transcarpathia and of the rayons of the far north of the RSFSR need to use better nonstandard leather and fur raw materials for the output of goods needed by the population.

In the majority of rayons and oblasts of the country the conditions exist for the development of the production of earthenware and ceramic items. The cooperative workers of Georgia are skillfully using these resources. In Zakarpatskaya Oblast the cooperative industrial combines produce more than 500 descriptions of household items made of ceramic clay and majolica. This experience must be utilized much more extensively than has been done so far.

There are many opportunities for the increase of the production of items made of willow, wood and the scraps of many types of fabrics, which have accumulated in the trade network. Economic initiative, enterprise, the ability and desire on the part of the executives of cooperative organizations to set for themselves specific tasks and to accomplish them are necessary in order for these opportunities to be utilized.

When drawing up the program of the increase of commodity resources, we simultaneously determined the needs for capital investments, technological equipment and materials. The policy of increasing in the total amount of capital investments the proportion of expenditures on the renovation, expansion and retooling of operating enterprises should be continued. As a whole for the food complex, for example, we envisage to increase this proportion to 57 percent, and in the Belorussian Potrebsovuz even to 65 percent. But for the present they are not adhering everywhere to such a policy. The lag in the drawing up of design documents and the lack of the proper technical and economic substantiations has an effect at times.

Of course, renovation without the halt of production is a difficult matter. But we are obligated to overcome these difficulties and to increase the new capacities more and more due to this factor. Such a position ensues directly from the decisions of the 26th CPSU Congress and the November (1981) Central Committee Plenum and from the entire economic strategy of our party. It is necessary to steadily increase the yield from the existing fixed capital and to increase the level of the use of production capacities just as of every square meter of trade and warehouse space.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### REPAIR OF CULTURAL, PERSONAL GOODS

Moscow PLANOVYE KHOZYAYSTVO in Russian No 1, Jan 82 p 125

/Article by RSFSR Deputy Minister of Consumer Services A. Chernyayev: "On the Question of Meeting the Demand for Cultural and Personal Goods"/

/Text/ The RSFSR Ministry of Consumer Services has examined the article of A. Lobko, "The Problems of Meeting the Demand for Cultural and Personal Goods," which was published in PLANOVYE KHOZYAYSTVO, No 5, 1981, and reports that the critical comments expressed in it objectively elucidate the state of affairs with the warranty repair of cultural and personal goods.

The volume of services on the repair of household equipment during the warranty operating period, which are performed by enterprises for the repair of household machines and appliances, in 1980 came to 13.4 million rubles of services (6.6 percent of the volume of services on the repair of household equipment).

According to the statistical reporting on Form No 3 "The Repair of Household Equipment" for 1980 the repair enterprises filled during the warranty operating period 601,000 orders of the population for the repair of refrigerators and 11,000 orders for the repair of washing machines. However, due to the inadequate deliveries of spare parts by the producing plants the list of citizens waiting for their arrival in the RSFSR comes to 7,500-10,500 people. At the beginning of 1981 the waiting list for the warranty repair of refrigerators came to 15,000 people and for the repair of washing machines--1,800 people.

In conformity with the Regulations of the Exchange of Industrial Goods, on the request of clients the repair enterprises issue certificates for the exchange of defective household equipment for new equipment through the trade network.

The expansion and strengthening of the material and technical base, the intensification of specialization and the increase of the concentration of the production of enterprises for the repair of household equipment are envisaged by the ministries of consumer services of the autonomous republics, the administrations of consumer services of the kray and oblast ispolkoms, the Moscow Gorispolkom and the Leningrad Gorispolkom and by party and soviet organs locally. This should be accomplished by the construction of rayon and interrayon base specialized enterprises, the renovation and retooling of operating enterprises and the more complete utilization of production capacities.

The increase of the volumes of services on the repair of household equipment, which are rendered to the population of rural areas, on the basis of the development of cooperative interrelations with rayon production administrations and the improvement of the collection of orders through combined receiving centers and houses of personal services is outlined in the Basic Directions of USSR Economic and Social Development for 1981-1985 and the Period to 1990.

For the purposes of improving the organization of the maintenance and repair of household equipment during the warranty operating period the RSFSR Ministry of Consumer Services has sent to the USSR State Committee for Standards suggestions on the making of changes in the Regulations of the Exchange of Industrial Goods Purchased in the Retail Trade Network of State and Cooperative Trade, which were approved by the order of the RSFSR Ministry of Trade of 28 March 1975. These suggestions concern the broadening of the rights of citizens who have purchased items with the State Seal of Quality; the granting to them of preference in the exchange of low quality items during the warranty operating period at the place of residence; the creation of the conditions for the meeting of the demands of the population and the prompt elimination of production defects; the assurance of the timely (3 months prior to the beginning of the delivery of items of household equipment to the trade network) technical preparation of repair service for the elimination of production defects in items during their warranty operating period.

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## CONSUMPTION TRENDS AND POLICIES

### CONCEPT OF SOVIET WAY OF LIFE ANALYZED

Moscow PLANOVYE KHOZYAYSTVO in Russian No 1, Jan 82 pp 112-118

/Article by Doctor of Historical Sciences Professor I. Bestuzhev-Lada: "The Way of Life of Soviet Society"/

/Text/ The way of life as a special scientific category became the subject of special philosophical, sociological and economic studies in our country after the 24th CPSU Congress, at which the task of improving both the theory and practice of national economic planning, increasing its scientific level and extending the horizons of economic planning was set. During 1973-1975 the most important problems of the formation of this essentially new scientific category were basically solved. At the 25th CPSU Congress "the way of life" was promoted to the rank of the basic categories of historical materialism; the theory of its development was placed on the same level as the theory of the creation of the material and technical base of communism, the improvement of social relations and the formation of the new man. This status was confirmed by the 26th CPSU Congress, at which much attention was devoted to the questions of the improvement of the socialist way of life and the strengthening of its material and spiritual bases.

"The way of life" is regarded in our philosophical and socioeconomic literature as a philosophical-sociological category, which covers the mode (or, which in this case is the same thing, the entire set of typical types) of vital activity of the individual, any social group (up to the class and nation inclusively) and society as a whole, which is taken in fundamental unity with its conditions. In this function the way of life has the meaning of an independent subject of study, but in practice performs the exceptionally important auxiliary-instrumental role of a means of increasing the effectiveness of planning and the control of social processes. The point is that it makes it possible to approach comprehensively the main spheres of vital activity--the spheres of labor, the family and daily life, education and culture, social life (including antisocial phenomena). And without this it is impossible to extend the horizons of economic planning and to begin the elaboration of a program of social development and the integration of the planning of the economic and social development of the country (which, as is known, was one of the main issues discussed at the recent CPSU congresses).

There is no doubt that precisely this practical role gave the studies of the problems of the way of life in the 1970's such a significant scope. And precisely it makes the indicated problems especially interesting in the eyes of "planners" and

"administrators"--both the theorists and the experienced workers in this area. In order to picture more thoroughly the potentials of the use of the category of the way of life in the sphere of planning and the control of social processes, it is necessary to compare it with the related categories of the standard of living, the quality of life, the tenor of life and the life style.

"The standard of living" is an economic category, which is oriented toward the evaluation of the degree of satisfaction of the so-called immediate needs of people, more precisely, their material and cultural (spiritual) needs, which lend themselves to direct quantitative evaluation. The further increase of the well-being of the Soviet people, that is, a higher standard of living, was and remains in our country the main task of the latest five-year plans, including the 11th Five-Year Plan. However, under the conditions of mature socialism, which have been complicated by the consequences of the scientific and technical revolution, it turns out not to be simple to accomplish this task without the extension of the horizons of economic planning, in connection with which the need to supplement "the standard of living" with other categories arose.

"The quality of life" is a sociological category which indicates the evaluation of the degree of satisfaction of needs of a higher order, which pertain to the quality of the diet and eating conditions, the quality and fashionability of clothing, the quality and comfort of housing, the quality of health care and the natural environment, the needs for contacts, knowledge, creative work and so on. These needs do not lend themselves to direct quantitative evaluation, but require complicated methods of indirect quantification (although here, too, quantitative evaluations are obligatory).

"The tenor of life" is an economic (more precisely, a socioeconomic) category which was used extensively by the founders of Marxism-Leninism and finds use in Soviet literature, including on the problems of the way of life. Some authors use it in a sense which is identical to the concept "the way of life," but the majority have in mind the socioeconomic (national economic) system of one community of people or another. Unfortunately, this category, unlike the others, did not serve as a subject of special study and there is not one thorough monograph on "the tenor of life" proper.

It is not difficult to note that in the cited context the standard of living, the quality of life and the tenor of life belong to different aspects (approaches in the evaluation) of living conditions in general and vital activity, that is, the way of life, in particular. The question of whether it is possible to reduce the complicated set of living conditions to the three enumerated categories remains debatable. But in practice the living conditions are usually evaluated on precisely three planes.

"The life style" abroad is often identified with the concept "the way of life." But in the aspiration to delimit the two concepts more and more authors understand by "the life style" one of the aspects of "the way of life," namely the everyday behavior of people in the organization of their labor, daily life and leisure time. In such an interpretation "the life style" acts as a psychological (more precisely, sociopsychological) category.

At times the content of the concept "the way of life" is reduced to the quality of life, which is primitively understood as the possession of prestigious (actually pseudoprestigious) goods. Notorious "consumerism"--the pursuit of fashionable things, the aspiration to astonish the people of one's circle with a superabundant table, "luxurious" decor, the transformation of housing into a bad resemblance of a museum and others--becomes the meaning of a person's life. Finally, the life style is understood as the way of life of a fashionable woman (man), who aspires at any cost to stand out among the people of one's circle for extravagance of behavior, clothing, decor.

Marxism is opposed to the ascetic aims of utopian barracks communism. Communists support the fullest possible meeting of the basic needs for food, clothing, housing (also taking into account their qualitative aspect). But all these aspects of living conditions are not an end in themselves, but namely the living conditions, in this case the conditions of the realization of the well-known law of the elevation of needs, the conditions of the improvement of the way of life (with the appropriate displays in the behavior, the life style of people), in case of which the more and more complete satisfaction of the needs of the lowest order serves as a condition of the more and more complete satisfaction of the needs of the highest order--for contacts, knowledge, creative work and so forth.

On this level "the way of life" is as if an integral category, which makes it possible to optimize the process of the increase of the standard of living and the quality of life of people with allowance made for the features of their labor, daily family, educational, cultural and public activity, as well as the socioeconomic system of their life and the specific nature of behavior. Or, on the contrary, to improve the processes of vital activity with allowance made for changes in the living conditions and accordingly in the behavior of people. Or to influence the behavior of people, improving the processes of vital activity and living conditions. The main thing is that the opportunity is afforded to enlarge the scope of the data, which are used in the planning of the economic and social development of the country, to bring them together in a system and to increase on this basis the level of the scientific soundness and, consequently, the effectiveness of the plans.

The concept of "the way of life" in the indicated interpretation makes it possible to represent the vital activity of society and its conditions in the form of an ordered set of interconnected indicators (labor productivity, the orderliness of daily life, the effectiveness of institutions of education and culture, the degree of involvement of the workers in the processes of the management of production and society, the advances of the overcoming of antisocial phenomena and so on). These indicators, being linked with the indicators of the increase of the material well-being, the improvement of the supply of housing, the development of health care and social security, nature conservation, transportation and communications, as well as the achievement of the value orientations,<sup>1</sup> form the base model, which it is possible to use for working out exploratory and standard forecasts of the changes in the way of life of society.

The most valuable scientific information for planning and management, which is obtained when comparing the data of research and the forecast standards, makes it possible to weigh in advance the most important direct and indirect consequences of the decisions being made (of course, within the probability forecasting

estimates). Such is the role of the category of the way of life in the practice of the scientific backing of plans, programs, designs and decisions in general. Its importance is especially great in the case of the scientific backing of the elaboration of long-term goal programs.

From what has been said it also follows that the category of the way of life can be examined in two directions. The first is conditionally called the formation-standard direction and is oriented toward the characterization of the way of life of the ruling class of a specific socioeconomic formation. The second is called the concrete historical direction and characterizes the way of life of the individual, the family, the class, the nation, in general any community of people. This direction is more complex and usually includes various aspects of the first direction. Thus, traits of the socialist way of life of preceding stages of development are preserved in modern Soviet society. Along with this the shoots of the future communist way of life are also emerging. The aim of the social policy of the party and the state in this respect reduces to surmounting as successfully as possible the vestiges of the past and stimulating the development of the shoots of the future. The theoretical-instrumental role of the category of the way of life is capable of being fully manifested here as well.

The socialist way of life in its basic traits and features is directly opposed to the bourgeois way of life and has substantial advantages, which can be used constructively in the practice of socialist planning. These traits and features reduce in brief to the following:

collectivism, which is opposed to bourgeois individualism;

genuine democratism, which is opposed to formal democratism;

social optimism, which is opposed to social pessimism;

socialist internationalism and patriotism, which are opposed to bourgeois chauvinism and nationalism;

genuine humaneness, the profound humanity of all social relations, which are opposed to the antihumaneness, the inhumanity of bourgeois social relations;

a new psychological and moral atmosphere, which is conducive to the all-round development of the individual for the good of the people and is opposed to the psychological and moral atmosphere of the bourgeois way of life, which is oriented toward the manipulation of the individual and the subordination of the vital activity of the popular masses to the interests of capital;

the development of the feeling of human worth, social duty and comradely mutual assistance, which is opposed to suppression of this feeling in people;

a respectful attitude toward labor and the working person, which is opposed to the worship of capital and the capitalist;

a considerate attitude toward culture, spiritual values and the natural environment, which is opposed to the nihilist, predatory attitude toward the wealth of culture and nature;

social justice and fundamental equality in all spheres of social life (including the sexual equality of men and women), which are opposed to injustice and inequality, on which the bourgeois way of life is based;

national concern about children and the continuity of socialist traditions, which are opposed to "the conflict of generations" in the case of the bourgeois way of life;

consciousness, the intolerance of shortcomings and social activeness, which are based on a developed sense of the responsibility of every person for the affairs of his collective and society as a whole, which are opposed to compulsory stimuli, the alienation of man from social problems and social passivity;

the moral and political unity of the interests and goals of the people, which is based on a truly scientific world outlook and is opposed to the social antagonism of the interests and goals of the different classes of bourgeois society.<sup>2</sup>

From what has been said it is evident, what opportunities the concept of the way of life affords for the theory and practice of the building of communism in our country. Thus, collectivism in the case of the socialist way of life makes it possible to use for increasing the efficiency and quality of social production the enormous potentials, which are inconceivable in any other social system, of labor collectives, which feel themselves to be the masters of the country and its social production.

The socialist way of life has its own features. In the case of the socialist way of life society proceeds along the path of social progress, which is of a purposeful and planned nature. In this connection the raising of the question of the means of forming this way of life and of the goals of its further development, that is, of the means of the gradual development of the socialist way of life into the communist way of life within the system of social goals and the corresponding social problems, is legitimate. The immediate and ultimate goals are clearly defined in the mentioned system.

The immediate goal is formulated in the directives of the latest CPSU congresses. It consists in the increase of the material and cultural standard of living of the people and the creation of better conditions for the all-round development of the individual. The ultimate goal is formulated by the theory of scientific communism in the well-known slogan "Our goal is communism." With reference to the way of life of society this means the completion of the process of the development of the socialist way of life into the communist way of life.

As is known, the communist way of life is characterized by the following basic qualitative indicators:

meaningful, creative, socially useful labor as the primary vital need;

high labor productivity on the basis of the complete mechanization and automation of production;

the abundance of material and spiritual wealth, which ensures the meeting of the rational needs of the individual and society;

complete social equality;

the overcoming of the substantial differences between mental and physical labor;

the overcoming of the substantial differences between the city and the countryside;

the convergence of nations in the unified international community of people;

a high material and spiritual culture of daily life with the complete de facto equality of women, the family based on the love and community of interests of all its members;

the absolute harmony of the interests of the individual and society;

social self-government as a national affair, the direct involvement of the masses in the management of production and society;

social justice, the free display of the abilities of each person;

the elimination of antisocial phenomena;

the all-round development of the individual, who combines spiritual richness, moral purity and physical perfection.

The situation with the goals of a medium-term nature, which are in between the immediate and ultimate goals, is more complicated. Such goals are: the creation and strengthening of the material and technical base of communism, the gradual development of socialist social relations into communist social relations, the cultivation of the new man, the formation of the socialist way of life and its development in the direction of the communist way of life. The goals of the next, even more specific stage, which should find expression when drawing up the long-range goal programs envisaged by the 26th party congress, including the food program, the program of the increase of the production of new consumer goods and the program of the reduction of the use of manual labor, come next.

The development of the socialist way of life presumes the gradual solution of the corresponding social problems facing Soviet society. On the theoretical level this requires the specification of a list of social problems of the way of life, which is equal to the list of social goals of Soviet society.

From this point of view under present conditions the solution of the problem of increasing the efficiency of social production is crucial for the further development of the socialist way of life. This makes it possible to arrive at the following qualitative social indicators and to provide:

the entire population of the country sufficiently with a full assortment of food-stuffs in accordance with the scientifically sound norms of rational consumption;

the entire population of the country sufficiently with a full assortment of clothing, footwear and other industrial consumer goods in accordance with the scientifically sound norms of rational consumption;

each family with a separate well-appointed apartment (house) with the complete mechanization of its equipment;

each citizen of the country who wishes with the opportunity for an annual vacation in an organized manner, and each person requiring sanatorium and health resort treatment due to his state of health with the granting of the appropriate travel authorization or treatment authorization;

the entire population of the country sufficiently with cultural goods and products of the sphere of spiritual production--books, journals, newspapers, records and cassettes, and in the future video discs and video cassettes;

each family with a telephone (in the future a videotelephone);

the entire population of the country with the opportunity to use comfortable transportation with the minimum expenditures of time and without discomforting crowding during peak hours;

the increase of the quality of services to a modern advanced level.

All this as a "social order" to the economy seems not only practicable, but also necessary, as a prerequisite of the completion in the future of the formation of the socialist way of life and the gradual solution of pressing social problems. Since the latter require special examination, let us briefly describe them in the following section.

As was emphasized at all the recent CPSU congresses, the increase of labor productivity is the key social problem of the way of life of modern Soviet society. Only in this way is it possible to find the many billions of rubles of additional assets which are necessary for the successful solution of nearly all the remaining social problems. Here, as experience shows, the substantial increase of labor productivity is a quite realistic matter. The gap in this respect between the steady achievements of the leaders of production and the usual, "average" indicators of each sector comes to a multiple figure (often on the order to 5- or 10-fold). It is sufficient "to pull up" the lagging sections to the already achieved level of the leading sections in order to obtain the necessary socioeconomic impact.

A two-in-one means of solving this problem was also indicated at the recent party congresses: the improvement of the organization of labor and the system of its stimulation. With respect to the latter the policy of the material and moral stimulation of workers in accordance with the quantity and quality not of their labor in general, but of the final product delivered to the consumer has been adopted. This found expression in the elaboration and commenced implementation of the concept of stimulation in accordance with the standard net output. As for the organizational aspect, it is viewed on the level of the development of the Leninist principles of democratic centralism: the strictest state planning discipline, the maximum initiative from below by the active participation of the workers in the making of collective decisions (with collective responsibility for them).

In this connection at the 26th CPSU Congress it was emphasized that it is necessary to increase the role of labor collectives in the management and planning of production, the solution of problems of the training of personnel, the improvement

of the conditions of the work and daily life of the workers, the tightening up of discipline and the cultivation of a communist attitude toward labor; to increase the importance of permanent production conferences and general meetings of the labor collectives; to implement measures on the dissemination and the increase of the effectiveness of the brigade form of the organization of labor and wages. To mobilize all the enormous potentials of socialist collectivism as the leading trait of the Soviet way of life--such is the essence of the CPSU policy of increasing the efficiency of social production under the present conditions of mature socialism.

Soviet demographers, sociologists and economists have done much work on the set of problems of the way of life in the sphere of the family and daily life and have offered a number of scientific recommendations of a theoretical and practical nature, which were the basis for the sociodemographic policy of the party and the government. The principle of a regional approach, which was adopted at the 26th CPSU Congress, the principle of the obligatory comprehensiveness of demographic measures and the principle of the full compensation of parents for the raising of a child (since under present conditions, in contrast to the past, it is equivalent to one of the forms of participation in social production and concerns all the members of society) stand out in importance among the theoretical principles.

The practical implementation of these principles finds expression in the decisions of the party and the government, including on the following questions: the introduction of partially paid leave for the care of a child until he reaches the age of 1 year; the improvement of the housing conditions of families with children; the enlargement of the system of "family" holiday homes; the complete meeting of the needs for children's preschool institutions, which are located near the homes of parents; the lengthening of the postnatal leave to a year or more; the gradual shortening of the work week for working mothers with young children (Article 35 of the USSR Constitution); the improvement of the system of state rewards to parents for the full raising of children; retirement benefits to a mother and father of a family and so on. These significant material and moral advantages make it possible to form a family with a minimum of three children.

Experience shows that in the case of a normal birth rate precisely the families with two or three children will constitute the majority; childless couples and couples with one child will remain in the minority. But on the average the proper socioeconomic impact will be obtained. Moreover, in regions with an extremely high birth rate it will be necessary to "drop" to the indicated optimum by the conscious planning by parents of the number of children in the family, while in regions with too low a birth rate it will be necessary to "rise" to the indicated optimum by the improvement of the conditions of the work and daily life of working mothers. But as a whole the demographic optimum remains uniform for the entire country in conformity with the unshakable principles of social equality under the conditions of socialism.

Unfortunately, the above-mentioned practical suggestions in the area of demographic policy so far have not been brought together in a unified system. Moreover, for various reasons a number of constructive suggestions were unimplemented. However, it must be stated frankly, L. I. Brezhnev indicated in a speech at the 26th congress, that so far no noticeable change has occurred in the solution of some social problems; therefore, more extensive and effective measures, which were outlined in the directives adopted by the congress, are necessary.<sup>3</sup> Means of solving the

mentioned problems will have to be persistently sought, taking into account the peculiarities of the situation in different republics and regions. In other words, much theoretical and practical work, which is connected with optimum distribution of considerable capital investments, lies ahead in the area of an active demographic policy. The concept of the way of life and the exploitative and standard long-term forecasts on its basis are capable of playing an effective role in the more thorough substantiation of the corresponding planning and administrative decisions.

The social problems in the sphere of public education are being solved in conformity with the instructions of the 25th CPSU Congress on the need for the improvement of our entire general educational system, and first of all the secondary school. This requirement is due to the disproportions which have formed in the system of public education during the many decades of its existence and to the need to bring this system in line with the conditions of mature socialist society.

Half a century ago, when the system of public education, which has been in operation to this day, was created, the proportion of children in preschool institutions was estimated at the few percent, the overwhelming majority of children of school age left school at most after 3 to 4 years of education. The average level of education of the workers of social production did not exceed the fourth grade, in the early 1920's less than 1 percent of the people 18 years old completed the secondary day school (the school of the second level), the general education and self-education of adults remained in the overwhelming majority of cases at a low level. The systematic further training of personnel was not carried out, since at that time the obtained knowledge was enough, as a rule, for 30-40 years--for practically the entire active life of the worker. The number of students was extremely negligible and clearly inadequate for the needs of the national economy, the shortage of workers of mental labor was enormous. Even a quarter of a century ago, given the great social changes and achievements in the sphere of public education, the situation remained unsatisfactory. Suffice it to say that in the early 1950's less than 5 percent of the people 18 years old had graduated from the day secondary school and it was in essence an unusual preparatory faculty for enrollment in a higher educational institution.

Now the situation has changed radically. Universal secondary education has been introduced in the country, and the secondary school can no longer remain in the position of a preparatory faculty of the higher educational institution. There arose the problems of: the optimum combination of general and vocational education at the level of the secondary school, including studies with productive labor; the formation of systems of the general education and self-education of adults at the level of people's universities; the regular further training of personnel (since the obtained knowledge now becomes obsolete in 4-7 years); the differentiation of specialized education in conformity with the real needs of the national economy and so on. At the same time the shortage of workers of mental labor was replaced by an increasing shortage of workers of physical labor with far-reaching social consequences with respect to the distribution of manpower resources, the wage and the nature of labor activity.

A fundamentally new concept of public education, which is equal to the requirements of mature socialist society, is gradually forming under these conditions. The kindergarten is beginning to be regarded not as a personal service institution for the convenience of parents, but as the first link of universal secondary education

with the obligatory participation in its work of the parents and in general of representatives of the older generation with the rights of voluntary assistants of the teacher, whose workload is excessive, but whose prestige and wage are inadequate. The demands of the strengthening of the vocational guidance of students are being made on the elementary and incomplete secondary school. In the secondary school the students should not only receive a sufficiently high general education, but also master some specific occupation. Subsystems of the general education and self-education of adults without leave from work, as well as of the regular further training of personnel are being formed at an accelerated rate. The question of the radical improvement of the subsystem of specialized secondary and higher education is arising.

Every economist knows, what enormous assets are needed for the implementation of all these measures, which in practice are predetermined by the laws of the development of mature socialist society. In order for the assets to be spent optimally, with the greatest yield for the national economy and society as a whole, it is necessary to make the corresponding planning and administrative decisions on a firm scientific basis. In this respect the concept of the way of life can also play a significant role.

A similar situation has formed in the sphere of institutions of culture. The increasing shortage of printed products (in connection with the fact that nearly 70 million families in our country aspire to acquire home libraries), the selectiveness of leisure time, the aggravation of the social problem of free time and the increased demands on the conditions of the all-round development of the individual at the stage of mature socialism caused the need for the substantial improvement of the book, magazine and newspaper business, the operation of radio and television, movie theaters and theaters, clubs and museums, libraries and parks of culture, sports, tourist and other institutions of culture. The concept of the development of clubs in accordance with interests is acquiring great importance. But even then enormous assets will be required for bringing the sphere of culture in line with the requirements of modern reality. For the optimization of the corresponding decisions it is necessary to return again and again to the considerable potentials of the category of the way of life.

With respect to the social problems of public life, first of all the stepping up of the participation of the popular masses in the management of the affairs of society, the category of the way of life is capable of playing the same constructive role as with respect to the social problems of the organization of labor, which were discussed above.

The same thing can also be said about the problems of overcoming antisocial phenomena. First of all this pertains to the eradication of crime, drunkenness and so-called unorganized redistribution, both production redistribution (the redistribution of scarce assets by evasion of planning organs) and consumption redistribution (the redistribution of scarce goods and services outside the channels of state organized distribution). The question of the more extensive use of economic levers for the purpose of narrowing the very possibility of acts of a criminal nature has been ripe for a long time. The strategy of combating drunkenness was clarified: it should consist in the complex combination of measures of a diverse nature-economic, sociological (the problem of the optimization of leisure time), sociocultural (concerning the sphere of traditions, morals, customs, the culture of the

consumption of alcoholic beverages), preventive medical and sociopolitical. Here, as in the area of demographic policy, the need for significant allocations and their rational and effective use is implied.

All these questions require a comprehensive socioeconomic approach.

At the 26th party congress attention was directed to the importance of the formation of modern economic thought. The question is being raised about the causes of the intolerably slow overcoming of mismanagement and waste, departmentalism and regionalism, which are complicating the planned development of the economy, the ill-considered organization of work, the unpunished sluggishness of some executives, the nonconformity of the objective possibilities and the available economic potential to the final indicators of science and production. Specific suggestions are being advanced on the means of increasing the business competence and social active-ness of administrative personnel, on the efficient use of human resources with the complete overcoming of the occasionally artificially created shortage of manpower, on the more efficient use of working time and the strict monitoring of the measure of labor and consumption (especially in the area of science and scientific service, where the system of stimuli of scientific labor has become anachronous) and on the persistent implementation of the socialist principle "to each according to his labor."

In our opinion, the category of the way of life in fundamental unity with the categories of the standard of living, the quality of life, the tenor of life, the life style and other social science categories should play an important role in the development of socioeconomic thought.

In conclusion it should be said that the way of life of Soviet society is formed by the labor activity of the people in the system of social relations. The major measures outlined for the 11th Five-Year Plan on the strengthening of the material and spiritual bases of the development of the socialist way of life and the formation of the new man must be examined from this standpoint.

#### FOOTNOTES

1. We have cited as an example only one of the possible most developed systems of indicators of the way of life of society, which was worked out by a collective of staff members of the Academy of Social Sciences attached to the CPSU Central Committee and the Institute of Sociological Research of the USSR Academy of Sciences. See "Sotsialisticheskiy obraz zhizni i sovremennoye ideologicheskaya bor'ba" [The Socialist Way of Life and the Present Ideological Struggle], Moscow, Politizdat, 1976; "Sotsial'nyye pokazateli obraza zhizni sovetskogo obshchestva" [Social Indicators of the Way of Life of Soviet Society], Moscow, "Nauka", 1980.
2. See KOMMUNIST, No 5, 1973.
3. See "Materialy XXVI s'ezda KPSS" [Materials of the 26th CPSU Congress], Moscow, Politizdat, 1981, p 55.

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## CONSUMPTION TRENDS AND POLICIES

### THEORY, MODELING OF CONSUMER BEHAVIOR

Moscow EKONOMIKA I MATEMATICHESKIYE METODY in Russian No 6, Nov-Dec 81 (manuscript received 29 Dec 80) pp 1085-1094

/Article by N. M. Rimashevskaya and A. A. Ovsyannikov (Moscow, Tomsk): "The Consumer Behavior of the Population: The Theory and Results of Modeling"/

/Text/ In the Accountability Report of the CPSU Central Committee to the 26th party congress it was specially emphasized that "the specific concern about the specific person, his needs and demands is the alpha and omega of the economic policy of the party" /"Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, Politizdat, 1981, p 49/. This once again confirms the exceptional theoretical importance and practical significance of thorough and comprehensive studies of the needs and consumption of the population.

The tasks of their study are among the fundamental problems of social forecasting and are integrally connected with the solution of the questions of increasing the well-being of the people and improving the way of life of the Soviet people. However, the mechanism of the formation of needs and of the regulation of consumer behavior so far has been far from completely revealed. In our studies, the results of which to a certain extent are reported in this article, we proceed from the need to find in the kaleidoscope of a large number of individual acts of consumption the essence and reason, which are concealed behind them and function as the need.

The observable and daily renewable consumer behavior, which is manifested outwardly in acts of consumption, is one of the aspects of the standard of living, which are most accessible for study. However, by knowing only the visible characteristics of human actions and the economic possibilities of meeting the needs which people have, it is impossible to draw definitive conclusions about the actual intentions and goals of consumers and about the needs of families. The same results of consumption form both under the influence of external circumstances and in accordance with internal stimuli, and, what is no less important, consumer behavior is mediated by different means and forms. At the same time, it is also impossible to divert one's attention from the influence of the indicated external situation on the formation of needs. A certain "trajectory," line of behavior also forms at its "intersection" with internal motives. The existence of the two noted aspects, which in principle are necessary for understanding the nature of behavior, makes it possible to define it as the dialectical interaction of the needs of the population, which have a substantial diversity and a different level of development, with conditions of their satisfaction, which are created by the material prerequisites and socioeconomic forms.

The central thing in the behavior of people is their needs. The assertion that it is impossible to understand and describe the behavior of people other than through the system of needs, which are present in behavior as an inherent component, is based on the conclusion formulated by K. Marx and F. Engels in "German Ideology": "No one can do anything without doing this at the same time for the sake of any of his needs and for the sake of the organ of this need" /K. Marx and F. Engels, "Soch." /Works/, Vol 3, p 245/. The underlying, deepest causes and motives of the activity of a person, including in the sphere of the consumption of material wealth, should be sought precisely in needs.

A complicated problem in the study of the needs of people is their evaluation. Two fundamentally different approaches, one of which can be called the normative approach, while the other can be called the behavioral approach, are distinguished in the methodology of its solution.

The essence of the former consists in the formation of some a priori conception of the consumption of people, which is based on the findings of such sciences as physiology, hygiene, psychology and others. A number of shortcomings are characteristic of this approach. First, it regards man to a greater extent as a biological phenomenon on the basis of physiological needs for proteins, fats, vitamins and so on, with allowance made for the peculiarities of sex, age and conditions of existence. Second, it is characteristic of man as a social individual to display needs not for elements of nutrients, even not for individual products, but for complexes and sets of items, which can be very diverse and can be formed under the influence first of all of factors of the social level. Some components of consumption are strongly interdependent, since there is no need taken separately. Let us note that K. Marx directed attention to this: "...various needs are internally interconnected into a single natural system" /K. Marx and F. Engels, "Soch.", Vol 23, p 368/. And finally, third, the normative approach, as a rule, determines the needs of the individual, while they are formed in the family, which is the social unit of society in which interests are broken down and the value orientation of all its members, which precedes real behavior in the sphere of consumption, is formed.<sup>1</sup>

The indication of a number of shortcomings of the normative approach to the characterization of the needs of the population by no means implies its rejection. On the contrary, some ideal constructs and the creation of a picture of the desired model of consumer aspirations, which are based on strict scientific premises, are necessary and useful as the only practicable basis for the control of social needs, as some social guidelines, toward which the consumer (and after his perception of these "norms," production as well) should be aimed, by specifying the means of the efficient organization of consumption. At the same time the needs must be studied by the methods of the statistical analysis of the real behavior of consumers, in order in addition to supplement and improve the normative approach. This analysis is based on the thesis that the behavior of families in the sphere of consumption is based on the aspiration of millions of families to meet optimally their real needs (to maximize the goal function of well-being in the case of restrictions on income).

In the case of the distribution of the bulk of the wealth created in society according to labor, which at the present stage is still characterized by substantial nonuniformity, the economic differentiation connected with this of the income of workers and their families, as well as differences in needs and consumption are noticeable. This requires their corresponding study with allowance made for the

different sociodemographic groups and strata of the population, which is a necessary condition of the realization of the behavioral approach to the evaluation of needs, in case of which, by comparing the social features of families with their behavior, it is possible to determine the specific nature of the needs of individual groups of the population and the differentiation of consumer demands.

Thus, when speaking about the real needs of the population, it is impossible to divert one's attention from its objectively governed nonuniformity in the sphere of consumption. The most important goal of their study is the identification of the types of consumers, which differ from each other both according to the attributes which explain the behavior and according to its results. In our opinion, this is the most promising means of studying such needs.

When examining the differentiation of the population in the sphere of consumption, one should proceed not from the set of individuals, but from the set of families, who differ in their real behavior.

The identification of the "consumer" structure of the population is, first of all, an obligatory condition of "access" to specific types of consumers, of whom the corresponding "natural system" of needs is characteristic. In this case the level of the development of needs is the attribute, which gives rise to the structure and distinguishes families in the respect that interests us. Taking into consideration the difficulty of its direct establishment, it is necessary to seek means of indirect measurement. For example, V. Ts. Urlanis proposed to judge the level of development of needs according to the cultural level, which in turn is estimated in terms of education 1, pp 27-28. In 2 the apparatus of factor analysis was used for its determination.

The objective nature of the behavior of people in the sphere of consumption also implies the objectivity of the motive forces governing it, of which the dialectical contradiction between the needs and the conditions (level and forms) of their satisfaction serves as the source. This contradiction is manifested in specific relations of the population, which arise in the sphere of consumption and are expressed by such a social phenomenon as interest. Economic interests, being shaped in the form of stimuli, prompt the consumer to an action which is connected with the meeting of ever increasing needs. Meanwhile, the stimuli themselves acquire a specific expression, which is connected first of all with the forms of distributive relations (in the wage rate, bonuses, income from public consumption funds and so on).

The stimuli reflect the incentive to action, but not the action itself. Another phase of the realization of the impetus in the sphere of consumption, which under the influence of the stimuli is aimed at the achievement of consumer interests and is transformed into the material interest in labor activity, which is mediated by the mechanism reflecting the stimuli of the distribution of consumer wealth in society, occurs here. Interest is the logical concluding point in the system of motive forces of the behavior of the population in the sphere of consumption. Both the stimuli and material interest proper do not belong to this sphere, but, having originated in the heart of the reproduction process (in production, in distribution and in exchange), they are first of all characterized by the conditions, state and level of development of this sphere. It is pointless to speak of the stimulation of material interest outside of the observance of the relationship between the measure of labor and the measure of consumption. "Preference in shock labor is preference in consumption as well," V. I. Lenin wrote in criticizing the

Trotskiyites. "Without this, shock labor is a dream, a daydream, but we are all the same materialists. The workers, too, are materialists: if you say shock labor, then give bread, clothing and meat" V. I. Lenin, "Poln. sobr. soch." /Complete Works/, Vol 42, p 212.

The behavior of people in the sphere of consumption, being a specific relation, is susceptible to the influence of the entire system of production relations and, first of all, distributive relations. In turn, the results of consumer behavior and the meeting of needs have a direct effect on the development of production, which, as F. Engels noted, "...is stimulated most of all by such a means of distribution, which enables /all/ /in italics/ members of society to develop, support and display their abilities as thoroughly as possible" K. Marx and F. Engels, "Soch.," Vol 20, p 206.

There serves as the final goal in the chain of cause-effect relations in the system of motive forces of the behavior of people the goal which lends meaning to its actions in the sphere of consumption in general. The needs and interests of people are the basis of the goals, the goal is the interest which they have become aware of. The classics of Marxism distinguish the objectively governed goals which ensue from the system of social relations which form under the influence of economic laws. Thus, V. I. Lenin wrote: "In practice the goals of man are given rise to by the objective world and infer it--they find it as something given, something available. But it /seems/ /in italics/ to man that his goals are taken outside the world, are independent of the world..." V. I. Lenin, "Poln. sobr. soch.," Vol 29, p 171. Consequently, the goal-setting activity of man is objective and forms under the influence of real conditions and possibilities. The objectivity of the goal consists in the fact that it is an intrinsic feature of behavior itself, which flows "in a direction determined by its internal organization" 3, p 77. The set of laws of socioeconomic development of the sphere of consumption expresses the main trajectory which directs the behavior of people. This places the consumer in a specific dependence on social production, on the laws, which regulate his activity in the sphere of production and consumption, on national interests and the goal of the development of socialist production.

The behavior of the population in the sphere of consumption is characterized statistically first of all by complexity, which is governed by two things. First, behavior is a multivariate process, which is described by two groups of attributes: 1) determinants which predetermine a certain system of actual needs of the family and, consequently, its behavior; 2) the results of the behavior, which are expressed in the structure and the amounts of consumer expenditures on certain goods or others. In order to identify the real cause-effect relations in behavior, it is important to examine both groups of attributes simultaneously. There is a substantial multidimensionality of both the observations and the task itself: the establishment of the dependence of consumption on the determinants.

Second, the behavior of the population in the sphere of consumption is essentially uncertain<sup>2</sup> and is connected first of all with the objective impossibility of a complete description of the system of economic laws, which govern the observable phenomenon and give rise to the trajectory of the development of the sphere of consumption. Our knowledge of the mechanism of the effect of socioeconomic laws will always be of a relative nature. Consequently, we should bear in mind not the precise trajectory, but the domain (zone) of development of the sphere of consumption, which we will call the domain of uncertainty.

The consideration of the principle of uncertainty when modeling consumer behavior leads to the following conclusion: for the increase of the reliability of the prediction of the potential behavior of families it is necessary to presume the existence of variation in the behavior of families of a single sociodemographic type. It is necessary to reject the attempt to obtain a rigid classification of families; in reality it is possible to establish only "blurred" breakdowns of families into groups, in which for a certain number of families of this type the possibility remains to behave in the sphere of consumption somewhat differently than is characteristic of the others.

The starting point of the construction of a model of the consumer behavior of the population is the aspiration to construct it in such a way that the observable behavior of different types of families would be a function of the determinants governing it. Such an arrangement for the model of consumer behavior is traditional. Suffice it to recall the Engel curves, which establish the dependence of the consumption of a specific good on the amount of income. At the same time, a characteristic feature of the known models of consumer behavior is the fact that in their construction the essential complexity of the mechanism of the formation of needs and consumption is in reality ignored. For each component of the consumer basket its dependence on some set of determinant factors is usually determined, which leads to the artificial breakdown of consumer activity as a unified integrity. Here the further balancing of the estimated values for the basket of consumer goods, as a rule, does not bring success. The known models of consumed behavior are constructed as correlation-regression models, as a result of which they have a large number of practically insurmountable shortcomings. The main one consists in the fact that such models give only a formal statistical statement of the observable relations, while the questions of the causes of behavior, the trends of its development and the mechanism of control remain open.

All this forced us to resort to fundamentally different means of constructing the model of consumer behavior, which are based on the methods of the distinction of the types of consumers (families) and consumption, as well as the establishment of the statistical dependence between them. Such an arrangement goes back to the structural model of behavior ("the model of consumption as a function of the structure"), which was proposed by A. Kh. Karapetyan /5, pp 188-196/.

The model of the consumer behavior of the population establishes the interrelations between its sociodemographic structure and the structure of consumption. Classifications of families in two spaces: the sociodemographic attributes X and the attributes of consumption Y, are necessary for this.<sup>3</sup> The model of consumer behavior is the matrix  $P = \{P_{ij}\}$ , the components of which are the conditional probabilities that the family belongs to the type of consumption  $S_j$  on the condition that its sociodemographic type is  $C_i$ . The values  $P_i$  and  $R_j$  are the probabilities that the families belong to types  $C_i$  and  $S_j$  respectively. It is obvious that  $\sum_{i=1}^m P_i = \sum_{j=1}^n R_j$

(here m and n are the number of sociodemographic types of families and types of consumption). Let us also assume that  $\sum_{j=1}^n P_{ij} = 1$ , that is, the rows of the matrix

are the values of the probability density. Let us examine the situation in which  $n=m$ . In the ideal case, when the set of sociodemographic attributes is absolutely full with respect to the coverage of the causations, the model of behavior is deterministic and

$$P_{ij} = \begin{cases} 1 & \text{when } i=j, \\ 0 & \text{otherwise.} \end{cases}$$

Another extreme situation is when  $P_{11}=\dots=P_{nn}$ , that is, the forecasting of the behavior of the population according to this model is simply impossible. In reality  $P_{ij}$  have a specific distribution, and the maximum of these distributions should be found at the points when  $i=j$ .

The economic significance of the estimates of the probabilities  $P_{ij}$  consists in the fact that they are interpreted as coefficients of preference for the type of consumption  $S_j$  among families which belong to sociodemographic group  $C_i$ .

The construction of a model for the purpose of identifying the laws of the formation of the needs of the population and of their changes in time among different types of consumers faces the researcher with the problem of determining the place of the groups of families in the sphere of consumption. One of the means of its solution consists in the aggregation of the determinant attributes in a generalized factor of the level of development of needs, which has good grounds from not only formal but also the content aspect. The sociodemographic (determinant) characteristics of families are some integrity, to which their interconditionality, which is measurable by the coefficients of paired correlation, attests. The level of the development of needs reflects the necessity for a given group of families of a specific consumption, which is due to the participation of family members in social production, which also determines the position of the family in the sphere in question. The level of the development of needs reflects this situation through the set of sociodemographic characteristics of the family. In turn, the latter cause an interconnected system of real needs, which forms the given style and type of behavior.

The problem posed by us of evaluating the level of the development of the needs of families is among the type of problems, which is often encountered in economics, sociology, psychology, pedagogy and other fields of knowledge and of which the impossibility of the direct measurement of the values of the factors is characteristic. The information at our disposal, as a rule, only indirectly reflects their intrinsic properties, which are concealed from the eyes of the observer. Thus, the correlative dependence between the sociodemographic attributes is regarded as a consequence of the effect of latent factors, which are responsible for one structure or another of the correlative relations. The attempts to concentrate the information we have, by expressing the attributes basic for the analysis through more spacious and at the same time more significant factors, are natural under these conditions. One of the possible tools of the solution of a problem of this sort is factor analysis.

The construction of the model of consumer behavior includes the following stages.

1. The gathering of information by means of specially devised questionnaires. The punching of the data. The feeding of the data into a computer and the organization of sets of data on magnetic discs. The processing of the information for the entire sample; the printing of analytic tables, the calculation of the statistical characteristics of the sample (the means, the dispersions, the indicators of variation, the correlations of the attributes and the sampling errors). The formation of working arrays for the solution of the problems of classification. The study of the structure of the sample according to the method of basic components.

2. The classification and experimental study of the distinguished groups of families. Multivariant calculations for the purpose of obtaining stable groups of families, the characteristics of which both in the sense of the determinants and in the sense of the behavior have a good economic interpretation (the classification is made according to the McKean k-mean method).

3. The solution of the problem of the evaluation of the level of the development of needs and the identification of the factors which are responsible for the differentiation of groups of families. There are used here: the centroidal method of the factorization of the correlation matrices, the "quartimax" method of the content interpretation of the factors and the Thomson method for the evaluation of the factors.

4. The solution of the problem of the classification of families in the space of the attributes of consumption (expenditures). In this case the number of classes and the reference numbers of the points, which are necessary for the use of the McKean method, are determined at stage 2.

5. The formation of the parameters of  $P_{ij}$  of the model of consumer behavior according to the formula:  $P_{ij} = |I_{ij}| / |C_i|$ , where  $I_{ij}$  is the set of "improperly" classified families, that is, those which belong to sociodemographic type  $C_i$ , but with a structure of consumption, which is different from the one characteristic for the families of set  $S_j$  (type of consumption 1);  $I_{ij} = \{x_k \in S_j / x_k \in C_i\}$ , where  $x_k$  is family  $k$ ,  $k = 1, \dots, N$ ,  $N$  is the size of the sample.

The construction of the model of consumer behavior is achieved by means of a program package written in PL-1 of the OS system. The experimental calculation, for which the results of a special survey of families of one of the cities of Western Siberia served as the basis (the data on 863 families numbering 2,802 people were used), were made on YeS-1020 and YeS-1030 computers. In all, 11 sociodemographic attributes were selected: 1) the size of the family (people); 2) the number of children (people); 3) the number of workers in the family (people); 4) the evaluation of the health of the family members (the total months in the year for all family members, during which they were not sick); 5) the age of the married couple (years); 6) the living space ( $m^2$ ); 7) the evaluation of the property status (the number of durable goods available in the family according to some set); 8) the evaluation of the educational level of the family (the average total of years of education of the family member, with the exception of preschoolers and school pupils); 9) the period of residence of the family in the given locality (years); 10) the monthly monetary income of the family (rubles); 11) the conditional appraisal of the social status of the family on the basis of labor activity (points).

The consumption of the families is represented by the expenditures on cultural and personal goods, food, clothing and footwear, alcoholic beverages, perfumery and haberdashery, publications and other goods. All the data on expenditures are measured in rubles. The use of such a consolidated classification of expenditures is due to the desire to identify the peculiarities of the changes of consumption subject to the sociodemographic type of the family.

The results of the calculations made it possible to draw the following conclusions. The breakdown of the families into 8 groups turned out to be most successful in this case. Here, first, the value of the criterion of quality of the selected version of classification was one of the best; the obtained classes of families are

statistically uniform, to which the negligible intragroup variations with respect to the majority of attributes attest; third, the check of the statistical hypothesis about the equality of the intragroup averages with respect to the most important sociodemographic attributes gave a negative result: the differences in the values of the intragroup averages are significant.

Table 1

Factor Loads of Attributes on General Factors

Factors	Attributes*											Percent of total dispersion
	1	2	3	4	5	6	7	8	9	10	11	
Activeness of labor activity	0.31	0.22	0.69	0.27	-0.22	0.32	0.28	0.87	-0.23	0.87	0.73	28
Family maturity	-0.39	0.81	0.26	0.31	0.64	0.11	0.19	-0.05	0.24	0.16	0.24	13
Material security		0.05	0.11	-0.15	0.01	0.25	0.49	0.38	0.26	-0.18	0.02	6

\* Their numbering corresponds to the above-cited sequence of sociodemographic attributes.

The level of the development of the needs of the distinguished groups of families is determined by a system of three general factors (the matrix of the factor loads of the attributes on the general factors is presented in Table 1):

- 1) "activeness of labor activity," which has a high positive correlation with the attributes "number of workers in the family," "education," "income," "social status," which reflect from different aspects the activity of the family members in the national economy;
- 2) "family maturity," which is closely connected with the attributes "size of family," "number of children," "age of family," here the correlation with the size of the family is negative, while with the age and the number of children it is positive, which is explained by the transformation of the family structure in dynamics;
- 3) "material security," which has high positive correlations with the attributes "property of family" and "living space."<sup>4</sup>

Factor analysis shows that the factor of the activeness of labor activity (28 percent of the total dispersion of the attributes) has the greatest influence on the level of the development of needs. This confirms the well-known assumption that the system of needs is most developed among people with a rich content of social activity.

When comparing the classification of consumers and consumption it turned out that 41.1 percent of the families fell into various classes (see Table 2). It is possible to presume that this "error" is the cost of the objective uncertainty of the

behavior of consumers. It attests that the greater the proportion of "improperly" classified families is in the group, the more detailed sociodemographic information is required for the prediction of its behavior. Thus, the behavior of the families of groups II, III and V is very unreliable predicted according to the values of the 11 sociodemographic attributes used in the experimental calculations. Here there is the smallest proportion of "properly" classified families, which comes to 43 percent in group V (see the corresponding diagonal elements of Table 2). At the same time, 74 percent of the families of sociodemographic group I have a structure of consumption of type I, 11 percent--type II and so on.

Table 2

Parameters of the Model of Consumer Behavior of Families

Typology of consumers (group of families)	Typology of consumption								Proportion of families
	I	II	III	IV	V	VI	VII	VIII	
I	0.74	0.11	0.01	0.06	0.07	0	0.01	0	0.13
II	0.18	0.45	0.08	0.19	0.06	0.04	0	0	0.25
III	0	0.11	0.55	0.04	0.17	0.05	0.08	0	0.18
IV	0.03	0.06	0.03	0.76	0.07	0.05	0	0	0.15
V	0	0.03	0.14	0.19	0.43	0.17	0	0.04	0.13
VI	0	0	0.05	0.08	0.15	0.63	0.02	0.07	0.07
VII	0	0	0	0.03	0.08	0.11	0.71	0.07	0.06
VIII	0	0	0	0.03	0.03	0.16	0.06	0.72	0.03
Proportion of families	0.14	0.16	0.15	0.21	0.14	0.10	0.06	0.04	1.00

In Table 2 the orders of the breakdown of the preferences of families in one version of behavior or another are presented by rows. The fact that the modes of these breakdowns lie on the main diagonal of matrix P, is characteristic of them. An important conclusion follows from this: the model of behavior reflects the essence of consumer activity--here such a behavior, which is governed by a specific system of determinants, is most likely ("modal"). The structure of the consumption of families (the "programs" of behavior), which were obtained when establishing its typology, are cited in Table 3.

The distinguished types of families differ substantially in their sociodemographic characteristics. The results of the calculations made it possible to notice unique features in the social "portrait" of the individual groups of families. Thus, family group I for the most part (76.9 percent of all the members of the families of this group) encompasses retirees (for the sample as a whole they make up only 14.4 percent); group II is represented primarily by families of unskilled workers, who in the group make up 40.1 percent of all the members of the families (for the sample the proportion of unskilled workers is equal to 16.8 percent); group III includes families which are mixed in social composition and, it should be stressed, young people (the age of the married couple of the families of this group is equal to 7.9 years with a average for the sample of 17.9 years); group IV consists of primarily skilled workers--40.6 percent of all the members of the families of the group (for the sample as a whole--24.5 percent); it is characteristic of the families of group V that 15.2 percent of its members are employees (8.7 percent for

the sample as a whole); group VI is represented by primarily employees of the middle level of management--53.9 percent of the total number of members of the families of the group (for the sample only 15.9 percent); the peculiarity of group VII is the fact that 13.8 percent of the members of the families are grouped with the intelligentsia (workers of education and health), while for the sample they make up only 3.3 percent; group VIII consists primarily of employees who hold managerial positions (25.3 percent).

Table 3

Structures of Consumption of Different Types of Families, Percent

Groups of families	Cultural and personal goods	Groups of goods						Total
		Food	Clothing and foot-wear	Alcoholic beverages	Perfumery and haberdashery	Publications	Others	
I	13.3	60.3	15.3	7.4	--	0.8	4.4	100
II	10.5	60.5	17.0	10.4	0.5	--	1.1	100
III	18.8	41.8	19.7	8.7	4.4	2.2	4.4	100
IV	20.8	48.1	22.2	5.0	0.4	1.4	0.6	100
V	19.5	40.8	14.5	8.9	3.0	1.8	5.5	100
VI	25.6	42.3	20.0	5.0	0.9	2.0	4.2	100
VII	28.8	40.2	22.1	4.0	1.2	2.1	1.6	100
VIII	29.1	37.1	25.9	3.4	1.1	1.4	2.0	100

The analysis of the typology of the families makes it possible to draw the conclusion that the following attributes are the most important characteristics, which influence the formation of the real needs of the families and govern their behavior: the number of children, the age of the family, the education of family members, monetary income, social status, and their influence is different. Thus, the differences between the groups of families can be explained by different levels of per capita income only for families with a low level of the development of needs (the families of groups I-IV). Further, the increase of the level of consumption cannot be explained by the influence of income, which in groups VI-VIII varies negligibly. Here the factors of a social nature: education, age of the married couple, social status and so on, apparently, are more important.

The age of the married couple has a strong influence on behavior. With its increase an aspiration to meet lesser and lesser urgent needs is observed, but this occurs up to a certain point, after which the structure of consumption changes in the direction of a decrease of the expenditures on goods, the need for which is small. For example, the proportion of the expenditures on cultural and personal goods for the "youngest" group III (see Table 3) is equal to 18.8 percent and comes to 29.1 percent among the families of group VIII (an age of 23.8 years) and further declines among families of group I (an age of 40.9 years), that is, a unique time circle is observed.

## FOOTNOTES

1. However, it does not at all follow from this that the family and the conditions of its vital activity are the only set of factors, under the influence of which needs form. There is no doubt that they form under the influence of a large number of conditions and circumstances, which have an effect at different levels and with a different intensity. First of all it should be noted that economic needs (and here it is precisely a question of them) will be the result of specific social relations. At the same time it is possible to indicate three large groups of sufficiently specific factors which influence the formation of needs and their differentiation. The first appears on the entire territory of the country (region, oblast, city and so on), characterizing the regional peculiarities of consumption. Among them are the national-ethnic and traditional historical living conditions of the people, the specific nature of the development of production and the sphere of services, the peculiarities of the settlement of the people and the level of urbanization. The second group is a set of sociodemographic factors which influence consumption within the family: the size and composition, the age of the family, the average educational and skills level, housing conditions, the amount of property and so on. And, finally, the factors determining the formation of consumption from the standpoint of the individual (sex, age, nature of employment, education and skills of the individual family members, their interests and value orientations) belong to the third group.
2. Generally speaking, uncertainty is a property of phenomena of a more general order, it concerns the economic system as a whole /4, p 49/.
3. Such a statement of the problem of modeling consumer behavior was formulated and realized in part in /6/.
4. In this case the factor "material security" is more significant and richer in content than the attribute which is expressed by the amount of monetary income of the family.

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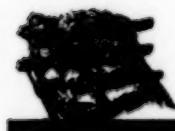
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